

HOUSE OF ASSEMBLY

Tuesday 20 April 1993

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

STATUTES AMENDMENT (FISHERIES) BILL

The Hon. FRANK BLEVINS (Deputy Premier): I move:

That the sittings of the House be continued during the conference with the Legislative Council on the Bill.

FISHING NETS

A petition signed by 58 residents of South Australia requesting that the House urge the Government to prohibit the use of monofilament gill nets by all fishers was presented by the Hon. T.R. Groom.
Petition received.

GOOLWA PRIMARY SCHOOL

A petition signed by 1 177 residents of South Australia requesting that the House urge the Government to commence immediately the planning for the construction of a new Goolwa Primary School was presented by the Hon. D.C. Brown.
Petition received.

BARMERA AND DISTRICT HOSPITAL

A petition signed by 1 391 residents of South Australia requesting that the House urge the Government to maintain funding levels for the Barmera and District Hospital was presented by the Hon. P.B. Arnold.
Petition received.

TRANSPORT DEPARTMENT

A petition signed by 1 164 residents of South Australia requesting that the House urge the Government to retain the South-East office of the Department of Transport and establish an inquiry into the impact of the removal of such services was presented by Mr D.S. Baker.
Petition received.

CAPITAL PUNISHMENT

A petition signed by 26 residents of South Australia requesting that the House urge the Government to reintroduce capital punishment for crimes of homicide was presented by Mr Becker.
Petition received.

LIQUOR LICENSING

A petition signed by 15 residents of South Australia requesting that the House urge the Government to rescind the increase in liquor licence fees was presented by the Hon. B.C. Eastick.

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 13, 234, 260, 324 to 336, 340, 349, 362, 366, 373, 403 to 405, 407 to 420, 422, 427, 429, 434, 440 to 442, 448, 450, 452; and I direct that the following answers to questions without notice be distributed and printed in *Hansard*.

CRAIGBURN FARM

In reply to **Mr S.G. EVANS (Davenport)** (23 March).
The Hon. G.J. CRAFTER: The parties have agreed to make public the indenture between the State of South Australia and Minda Incorporated relating to the development of Craighburn Farm.

The indenture was prepared to ensure that the development provided for in the 'City of Mitcham and City of Happy Valley Sturt Gorge and Craighburn Regional Open Space and Residential Supplementary Development Plan' could occur and to avoid the possibility of Minda Incorporated pre-empting the planning decisions being made. It secures for the public benefit a great deal more public open space than Minda would be obliged to provide upon a division of Craighburn Farm. I am aware that it has been suggested that the indenture may have compromised the preparation of the supplementary development plan. This is not the case. The indenture (and clause 3 in particular) clearly shows the Minister's powers and discretions are not limited or restricted in any way.

This indenture is the only agreement between the Government and Minda Incorporated relating to the development of Craighburn Farm.

CREDIT RATING

In reply to **Mr S.J. BAKER (Deputy Leader of the Opposition)** (23 March).

The Hon. FRANK BLEVINS: The Government's credit rating is a key determinant of the cost at which the Government can borrow. Any speculation regarding this rating can have adverse effects on the budget. It is the Government's practice therefore not to comment on such speculation.

PAPERS TABLED

The following papers were laid on the table:
By the Minister of Housing, Urban Development and Local Government Relations (Hon. G.J. Crafter)—
Regulations under the following Acts—
Associations Incorporation Act—Fees.

Business Names Act—Fees.
 Co-operatives Act—Fees.
 Evidence Act—Reproduction of Documents.
 Legal Practitioners Complaints Committee—Statistical Report.
 Corporation By-laws—
 City of Elizabeth—No. 2—Streets (Amendment).
 City of Salisbury—
 No. 1—Permits and Penalties.
 No. 2—Streets (Amendment).
 No. 5—Dogs.
 No. 7—Animals and Birds.
 No. 10—Inflammable Undergrowth.
 District Council of Coober Pedy—
 No. 1—Permits and Penalties.
 No. 2—Council Land.
 No. 3—Taxis.
 No. 4—Electricity Supply.
 No. 5—Nuisances.
 District Council of Wakefield Plains—No.9—Fire Prevention.
 Working Party Reviewing Age Provisions in State Acts and Regulations—Report.
 By the Minister of Environment and Land Management (Hon. M.K. Mayes)—
 Response to First Report of the Social Development Committee 'Social Implications of Population Change in South Australia'.
 Regulations under the following Acts—
 Bills of Sale Act—Fees.
 Crown Lands Act—Fees.
 Liquor Licensing Act—Dry Areas—
 Berri.
 Colonnades Shopping Complex.
 Glenelg (Variation).
 Pastoral Land Management and Conservation Act—Fees.
 Real Property Act—
 Register General—Fees.
 Requisition Fee.
 Variation.
 Registration of Deeds Act—Fees.
 Roads (Opening and Closing) Act—Fees.
 Strata Titles Act—Fees.
 Workers Liens Act—Fees.
 By the Minister of Education, Employment and Training (Hon. S.M. Lenehan)—
 Director-General of Education, Portfolio Co-ordinator, Education, Employment and Training—Report 1992.
 By the Minister of Business and Regional Development (Hon. M.D. Rann)—
 South Australian Centre for Manufacturing—Report 1992.
 Motor Vehicles Act 1959—Regulations—
 Authorised Examiners Fees.
 Authorised Examiners Fees (Variation).
 By the Minister of Health, Family and Community Services (Hon. M.J. Evans)—
 South Australian Council on Reproductive Technology—Report to 31 March 1993.
 Controlled Substances Act 1984—Regulation—Poisons—Coca Leaf.
 South Australian Dental Service—By-laws—South Australian Dental Service Incorporated.
 By the Minister of Primary Industries (Hon. T.R. Groom)—

Agricultural Council of Australia and New Zealand—Record and Resolutions of meeting of 24 July 1992.
 Animal and Plant Control Commission—Report, 1992.
 Australian Soil Conservation Council—Record and Resolutions of Meeting of 27 August 1992.

HAMMOND, Ms RUBY

The Hon. M.K. MAYES (Minister of Environment and Land Management): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.K. MAYES: I wish to take this opportunity to express, on behalf of the Government and I am sure of all members in this House, our greatest sympathy to the family of Ruby Hammond, who died last Friday after a long illness. Ms Hammond will be remembered as a person who dedicated her life to improving opportunities and conditions for Aboriginal people and to advancing the cause of racial harmony. During her long and distinguished career in public life, both in the Public Service and in community organisations, she earned the respect of her colleagues and, indeed, of all those with whom she came into contact through her positive, thoughtful and caring approach to her work.

Ms Hammond's achievements over her career were numerous and significant. In the 1970s she participated in many international forums on behalf of her people. She was part of the first Aboriginal delegation to China, she was the Australian Women's representative at the International Women's Year Conference in Fiji in 1975, and in 1976 she was a delegate at the World Peace Council in Switzerland. Ms Hammond served with distinction in many Aboriginal community bodies, including the Aboriginal Legal Rights Movement, the Aboriginal Housing Board and the Aboriginal Lands Trust Advisory Committee.

Ms Hammond also contributed to the advancement of the Aboriginal cause within the Public Service. She worked as a senior project officer and as Manager of Aboriginal Development in the Public Service Board, acted as consultant for the Aboriginal Employment Strategy in the Health Commission and, most recently, was the Aboriginal Coordinator for the Department of Arts and Cultural Heritage. In March of this year Ruby Hammond was awarded the Public Service Medal by Her Excellency the Governor in recognition of her outstanding contribution to Aboriginal affairs. The scope of Ms Hammond's interests and involvement extended across the full range of issues affecting Aboriginal people, and she will be sadly missed by the many friends and colleagues who had the privilege to know her.

PRISONER, DRUGS

The Hon. R.J. GREGORY (Minister of Correctional of

Services): I seek leave to make a ministerial statement.

Leave granted.

The Hon. R.J. GREGORY: On 18 February the member for Bright asked me a question concerning

allegations of prison officers trafficking drugs in prison. In particular, he made a serious allegation that senior management from the Department of Correctional Services had interfered in the police investigation of a Correctional Services officer. Mr Matthew claimed, and I will quote from *Hansard* of 18 February:

During their investigation into the activities of one officer, police were, at the insistence of senior Correctional Services management, forced to identify the officer under investigation. Within 48 hours the officer, who was under continual police surveillance, had become aware he was being watched and police were forced to abort the operation. I am advised that police have good reason to believe that the officer was tipped off by his superiors in the Correctional Services Department.

Having obtained a report from the Department of Correctional Services and the Police Commissioner, I gave a ministerial statement to this House on 24 March. In that statement I said that an inquiry was conducted by the Intelligence Branch of the police on a corrections officer relative to drug trafficking. The Commissioner of Police advised me that the investigation was terminated when no criminal offence was detected.

I further advised this House that the police had not received any request from senior management of the Department of Correctional Services to identify the officer during the police investigation. However, the member for Bright believed my statement contained incorrect information and used the Grievance Debate to defend his accusations. He stated, and again I will quote from *Hansard* of 25 March:

The officers confirmed to me that the information I raised about this aborted investigation into a Correctional Services officer was completely accurate.

If Mr Matthew's allegations were correct, the Commissioner of Police and I have been misinformed.

Mr BRINDAL: I rise on a point of order, Mr Speaker. Several times throughout the ministerial statement there have been references to 'Mr Matthew'. I thought it was customary to refer to a member's title.

The SPEAKER: Order! That is the Standing Order in this House. References to a member should be by his electorate or the position held. I ask the Minister to use the reference when he refers directly to a member, but if it is in a letter and is being quoted directly that is acceptable.

The Hon. R.J. GREGORY: To clarify this matter, I contacted the Commissioner of Police. I received a letter from him on 31 March, which I will now in part read:

Reference our recent discussion on questions and answers re Mr W. Matthew MP and comments re prison officers. I have sought clarification from my officers on the matters you raised and advise as follows.

Firstly, my letter of 11 March 1993 to Mr Dawes has been substantiated as being correct advice.

Secondly, the basis of my advice was reports from the officers concerned, and my current advice from them contradicts Mr Matthew's version. Therefore, the police advice is correct. The Chief Inspector (and I will not mention his name) has reported on his meeting with Mr Matthew at Parliament House on 2 March 1993. The officer refutes the claim by Mr Matthew that he confirmed the accuracy of Mr Matthew's original statements in the House. To the contrary, he claims he advised Mr Matthew that there was nothing from the Police Department to support his claim.

Mr Matthew: That's untrue.

The SPEAKER: Order!

The Hon. R.J. GREGORY: It continues:

Our investigation into a Correctional Services officer was terminated due to a lack of criminal activity. Mr Matthew was also advised by the Chief Inspector of the hindrance to operations that occurs due to publicity about such matters.

This letter is proof enough for me that I have not been misled by the Department of Correctional Services or the Police Commissioner.

Mr Matthew: It is a cover up that you will not get away with.

The SPEAKER: Order! The member for Bright has adequate recourse in this House. There are many channels for him to use and I would ask him to use them correctly.

QUESTION TIME

STATE BANK

The Hon. DEAN BROWN (Leader of the Opposition): My question is directed to the Premier. Will the Government investigate who was responsible for and who was involved in the doctoring of State Bank Board minutes? During a meeting on 5 February 1991 the board of the State Bank was told that bad loans would reach almost \$3 500 million by June 1992. This advice was recorded in the original minutes prepared by the board's secretary and communicated to the Government later that same day. However, when the Government and the bank made the first announcement of the bank's losses five days later they deliberately underestimated the amount of the bad loans by almost \$1 000 million. This was just one of a massive number of changes made to minutes of the board meetings held in January and February 1991 with the aim of deflecting as much blame as possible—

The Hon. J.P. TRAINER: I rise on a point of order, Mr Speaker. Apart from the fact that the Leader of the Opposition is quite clearly debating, with the sort of terminology and phraseology he is using—

Members interjecting:

The SPEAKER: Order!

The Hon. J.P. TRAINER: —it may also be that he is repeating a question that has been put in this House on previous occasions.

The SPEAKER: I uphold the point of order that the honourable member is beginning to debate the question. This is a very difficult area, so I will make a statement on it. The State Bank issue has obviously been run through this Parliament many times. Every session we have questions on it. To pick out the thread of a question from the great thrust of the State Bank issue is very difficult and I will not uphold that part of the point of order. However, I do uphold the point that the Leader is starting to debate the question and I ask him to stick clearly to the facts.

The Hon. DEAN BROWN: I was pointing out to the House that I have been informed that the reasons why these changes were made was quite specifically to deflect the blame away from the board of the bank and the

Government on to the management of the bank. However, because these changes and deletions occurred after 12 February 1991—the cut-off date in the terms of reference of the Royal Commissioner and the Auditor-General in their inquiries—this doctoring of the minutes, I was told, was not investigated even though falsifying the minutes is a serious breach of the State Bank Act. There is also evidence, I am told, of collusion by the Premier's office in covering up who knew what and when about the magnitude of the bank's losses.

The Hon. J.P. TRAINER: On a point of order, Sir, the Leader of the Opposition has clearly continued to read from his prepared statement without taking into account the ruling you gave that he was debating.

The SPEAKER: Order! I would point out that I have requested that the Leader stick to the facts instead of debating the matter or bringing extra information into it, and I ask the Leader to be very clear and to stick strictly to statements of fact in explaining his question.

The Hon. DEAN BROWN: Mr Speaker, I was relaying to the House that I had been informed quite specifically that the Premier's office was covering up this information as to who, what and when the changes were made to cover up the magnitude of the State Bank losses.

The Hon. LYNN ARNOLD: The answer to the question as to whether or not there will be an investigation of that matter is 'Yes'; I will ask my colleagues the Treasurer (who is the Minister responsible for the State Bank Act) and the Attorney-General to make inquiries into this matter. If there is anything new to report to the House other than the evidence that has already been put before the royal commission on the matter of minutes and the way minutes have been handled by the former board of the bank, or any new information other than that which has come before this Parliament already, certainly I will advise members of this place.

ECONOMY

The Hon. J.P. TRAINER (Walsh): Does the Premier intend to be open and forthcoming to this House about the details of his plans to develop South Australia's economy? The Premier said he will be delivering a major economic statement to the Parliament later this week that will constitute a blueprint for the way in which South Australia's economy can expand—a blueprint that will need to be spelt out in some detail. The Leader of the Opposition, in a media release—

Members interjecting:

The SPEAKER: Order!

The Hon. J.P. TRAINER: —last Friday, expressed a negative response in anticipation when he said, 'I do not believe the Government will give these grim details in the economic statement but has planned to keep them secret until after the next election.'

The Hon. LYNN ARNOLD: The answer to the question is 'Certainly'; at all stages it has been my intention to give a full reporting on the South Australian economy and those many financial issues that face us as South Australians before detailing the Government's proposals for how we should handle those particular problems. I have made that clear from day one. I think it

is in the interests of all of us that we know the information, and there is no merit at all in keeping back information. Quite frankly, the allegation of the Leader of the Opposition is quite a scurrilous one. That has not been the way I have operated. I have made a practice of trying to put as much information as possible on the public record and will certainly do so again.

Indeed, to take the words spoken not by me but by somebody else, 'Democracy requires an element of truth from those who would wish to participate in the whole program.' They are the words of the Leader of the Opposition who made that statement in Parliament on 4 March 1993. I am seldom driven to agree with the Leader of the Opposition, but on this occasion I do actually agree with those words. When stating those words, it was part of his attempt to defend the Fightback package, John Hewson and all the things in the Federal Liberal Party policy and to say it was a good thing that these policies were in place. We have a great many quotes from him on that matter. Yet the very person who says he believes in truth is the same person who, on 2 April this year, when addressing BOMA, said that behind closed doors he was arguing that the Federal Liberals were wrong. So, the person who stood up in this place and said he believed in truth, in Fightback, in what John Hewson was doing and in every element of Federal Liberal Party policy was in fact lying to us at that time, because—

Members interjecting:

The SPEAKER: Order! The Premier is well aware of the Standing Orders, and I ask him to withdraw that comment.

The Hon. LYNN ARNOLD: I apologise and do withdraw that. The dissembling and prevarication of the Leader have been shown up by his own words when he makes the comment, '...an element of truth from those who wish to participate in the whole program' and then says that behind closed doors he was arguing against the Federal Liberals, saying that they were wrong.

I do not believe that that is the kind of person who can then stand up and make the scurrilous accusation about me that I will not come out and say what the situation actually is. This is the person who will not even come out with his industrial relations policy—his Party will not come out with it—because they do not want to put that on the public record. They want to keep that from the people of South Australia. They want to dissemble; they want to prevaricate; they want to—to use another word that I am not allowed to use in this place: that is what they want to do not only in this place but in the community.

I think the Leader owes the House an explanation of how he could make such a statement as that, alongside the statements he made about the Federal Liberal policy and then admit to a group of business people that in fact, secretly, he was doing something quite different from that. Either he lied (I am sorry, Mr Speaker); either he prevaricated, dissembled or misrepresented himself before the BOMA luncheon—in other words, he was not telling them the truth—or he was not telling this House the truth. He cannot have it both ways, because his own words on the public record will not let him have it both ways, and he has to choose which set of words he will go with.

Members interjecting:

The SPEAKER: Order!

NICHOLLS CASE

Mr S.J. BAKER (Deputy Leader of the Opposition): My question is directed to the Premier. Did the Government, formally or informally, consider the question of penalty in the event of a conviction in the Chris Nicholls case, and were any representations made to the Director of Public Prosecutions formally or informally by the Attorney-General or any member of the Government in relation to penalty in the event of conviction? I have been informed that the Government considered the Nicholls case before the jury gave its verdict and had reached a conclusion that an appropriate sentence in the event of a conviction would be four years imprisonment and that it would press for that penalty.

The Hon. LYNN ARNOLD: The implication of what the Deputy Leader is saying is quite scurrilous, and I can reject categorically these scurrilous allegations made by the Deputy Leader. It is simply an attempt to reflect upon the court, which has passed its own sentence, and the judiciary, which in this State is independent and rightly preserves and values that independence. I am certain that the court itself would be concerned to hear those kinds of allegations made in this place by the Deputy Leader. I think the best thing the Deputy Leader could do would be to withdraw that kind of scurrilous allegation.

INDUSTRIAL RELATIONS

Mr FERGUSON (Henley Beach): Will the Minister of Labour Relations and Occupational Health and Safety advise the House of South Australia's current industrial relations record and whether we still have the best record in the country?

Members interjecting:

The SPEAKER: Order!

The Hon. R.J. GREGORY: In an article in last Saturday's *Advertiser* (17 April) Mr Brown said that the record Labor often claims for itself that we have the lowest rates of days lost in industrial disputes was in fact one of the greatest legacies of the former Liberal Premier, Sir Thomas Playford. He went on to say that Playford was able to do this because he recognised the need to consult workers as well as employers about Government decisions affecting our economy. If this is the case, how does Mr Brown, who was then—

The Hon. JENNIFER CASHMORE: On a point of order, Mr Speaker: the Leader of the Opposition has a title and, under Standing Orders, it ought to be used.

The SPEAKER: Order! I accept the point of order; I assume it is the Leader of the Opposition to whom the Minister is referring.

The Hon. R.J. GREGORY: I apologise to the member for Coles if I have offended. The Leader of the Opposition was the Minister of Labour Relations or Industrial Relations at the time. I want to refresh the House's memory on some pertinent facts. In 1978, 172 working days were lost under the State Labor

Government; however, when the Liberal Party came to power, that number jumped to 402 in 1979, went down to 132 in 1980 and ballooned again to 320 in 1981. After the Bannon Government was elected in 1982, the number of days lost due to industrial disputes fell to 102. Since that time, this State has had an unparalleled record in

having the lowest number of industrial disputes, and this demonstrates that the Labor Party has the success of negotiating and discussing things with the social partners involved in industrial disputes.

Members interjecting:

The SPEAKER: Order!

The Hon. R.J. GREGORY: One of the things that surprises me about the Leader and his shadow spokesmen is that they have not yet been prepared to tell South Australians what their industrial relations policy is. All they have said is that it will not be like Jeff Kennett's. One wonders what it will be. Members opposite have not yet been able to come clean and tell us what they will do about overtime, penalty rates—

The Hon. D.C. Wotton: You're in government.

The Hon. R.J. GREGORY: With your yelling, I will have to get earmuffs to hear myself think, because you are such a buffoon.

Members interjecting:

The SPEAKER: Order! Will the Minister resume his seat. The member for Heysen will comply with the Standing Orders or he will be dealt with. We all have been here for over three years now: there are no new boys or girls among us. All members should know the Standing Orders; I remind them every day. So, let us comply with the Standing Orders, get through Question Time and get some questions. The honourable Minister.

The Hon. R.J. GREGORY: Because of the noise, I will repeat myself. Members opposite have been unable to declare themselves as to what they will do about overtime, penalty rates, redundancy pay, unfair dismissal, sick leave, leave loading and, when we get around to it, maternity leave. They have been unable to do any of that. They have said nothing. I think that they will be like the Liberal Party in Victoria—when they get in, this will be the hidden barb in what they are up to, and they will use this to defraud and take away from South Australian workers protections that they have accepted and have had for a long time.

The SPEAKER: Order! Before calling for the next question, I point out to the member for Albert Park that hiding behind the *Hansard* volumes and Bills does not protect him from the Standing Orders. The honourable member for Bragg.

DEATH DUTIES

Mr INGERSON (Bragg): My question is directed to the Premier. As the ALP platform continues to call for the reintroduction of death duties and as both the Premier and Treasurer are on public record strongly supporting death duties on the ground of equity, what guarantee can he give that a future Labor Government would not again tax the dead?

The Hon. LYNN ARNOLD: I do not know which edition of the ALP policy the Leader has, and this probably indicates why members opposite have so much

trouble in attacking the Government because they are constantly living in some kind of past, and their reference library is not all that up to date. The fact is that neither do they not read current Labor Party policy on these matters nor do they read the newspapers. I have already made clear my view about the submission that was received from the UTLC on that particular aspect. While I will not go into all the submissions that were made to the Government in the lead up to the economic statement, on that particular one—

Mr Ingerson interjecting:

The SPEAKER: Will the Premier resume his seat. I have warned the House once today. All members know the Standing Orders. Interjections are out of order and will not continue, or action will be taken. The Premier.

The Hon. LYNN ARNOLD: The interjection, 'What's your real agenda?' was heard a few moments ago. The honourable member who interjected is the very member who said that he was going to have an industrial relations policy in August last year; who, when August came and went, then said December last year; who, when December came and went, then said January this year; and who, when January came and went, then said March this year. Now, a new moments ago, he said that he will do it in the lead-up to the next election. That is many, many months away.

The point is that here we have a member who is hiding a real agenda and who has the gall to ask me that question when I have gone on the public record as to my view on death duties, and I have clearly indicated that they will not be reintroduced by this Government. That is quite clear: that is unequivocal. The honourable member does not seem to be able to understand an unequivocal answer. He does not seem to be able to understand anything that differs from dissembling. I know that that is what he is used to from his own Leader and his own side, but the words are quite clear, my position is quite clear, and the member for Bragg would do well to read them very carefully.

Members interjecting:

The SPEAKER: Order!

ATSIC

Mrs HUTCHISON (Stuart): I direct my question to the Minister of Aboriginal Affairs. Can the Minister inform the House of the outcome of the Aboriginal and Torres Strait Islander Commission regional combined council conference? As most people would be aware, an historic Aboriginal and Torres Strait Islander Commission conference was held in Parliament House last week. Many of my constituents attended that conference and I would appreciate information as to its outcome. I have also discovered in my drawer a note which says, 'Thank you, from the Aboriginal people of South Australia'.

The Hon. M.K. MAYES: I thank the member for Stuart for her question. I also thank you, Mr Speaker, for your cooperation in providing the facilities of this House so that our ATSIC regional council members, representatives and interested community members could attend to observe the deliberations of the council

meeting. It is important because, as the media correctly reported, this was probably the first occasion under the Westminster system that we have had a meeting of indigenous people within the Parliament. From my experience, from the comments you have made and from the Premier's exposure to the events, as well as that of other members, it was a very uplifting, important and significant occasion from the point of view of its meaning not only for the Aboriginal communities of South Australia but also for our State as a whole. Significantly, referring to what was reported in the national media, it is part of what we see involving the Prime Minister's statements at Redfern about this being one nation and recognising the significance of the contribution made to this country by the indigenous people.

The conference was attended by people such as Lois O'Donoghue; the Acting Chairperson of ATSIC, Mr Sol Bellear; the Regional Council Chairman, Mr Charles Jackson; and representatives from the Murrundi, Kurna, Wangka Pulka, Nulla Wanga Tjuta, Kakarrara Willurrara and Ngintaka Regional Councils. All of those representatives were here with other members of the community and had an ideal opportunity to deliberate over those issues of major concern to themselves as a community and to us as their elected representatives, as well as a chance to explore major issues that confront us as a nation.

The member for Stuart has asked me what were the outcomes of those discussions. To bring the House and the community as a whole up to date, I point out that there was useful and productive discussion on issues including reconciliation, the Mabo decision, the national health strategy, land acquisition, the Aboriginal and Torres Strait Islander Commission boundaries, and other matters related to the commission's administration and operations.

It was a very good opportunity for us to see the representatives of our indigenous communities in South Australia in action; it was an opportunity for us to reinforce, as I said, what the Prime Minister stated in the address in Redfern last year; and it was an opportunity for us to see ourselves as one nation and recognise the significant contribution that Aboriginal communities have made and will continue to make to this State.

BUDGET DEFICIT

Mr D.S. BAKER (Victoria): Will the Deputy Premier say whether Treasury has given the Government advice that there will be a budget deficit of about \$880 million by June 1996 without major policy changes?

The Hon. FRANK BLEVINS: The Treasury gives me advice on a daily basis, some of which I take and some of which I do not. In relation to deficits—

Members interjecting:

The Hon. FRANK BLEVINS: I remember them very well. Whether I tell you or not is a different question. Forward estimates are produced from time to time. I am sure that the Premier may have a few words to say about that issue on Thursday. I suggest to the member for Victoria that he contain himself until then.

CHILD-CARE

Mr HAMILTON (Albert Park): Can the Minister of Education, Employment and Training provide the House with an update on the implementation of the national child-care strategy announced by the Minister in December? The Minister would be aware of my ongoing interest in this area and also of my recent correspondence with her in relation to after-hours care for the Semaphore Park area, hence my question.

The Hon. S.M. LENEHAN: I thank the honourable member for his interest and, yes, like other Ministers I am acutely aware of the great interest he takes in a whole range of issues within his electorate. I am delighted to be able to inform the honourable member that as a result of negotiations I have had with my Federal colleague the Minister for Family Services, Senator Rosemary Crowley, a further 820 child-care places have been released this week for South Australian families. This includes 160 long day care and 660 out of hours or outside school hours care places which have been brought forward to meet the needs of working parents for quality child-care.

This follows the release of 160 family day care places in December. It means that there will be three new child-care centres and these will be built in Campbelltown, Gawler and the Adelaide local government areas. These have already been identified as high need areas with a shortage of child-care places for working or studying parents. It also means financial support for at least 24 outside school hours care services.

So, I am sure that the honourable member will be delighted to receive that information. I expect to be able to confirm the exact locations and the sponsors for these outside school hours care services within the next three weeks. The total cost of the new places is \$3.7 million, and this State Government has contributed nearly \$2 million in capital and recurrent operational costs. As Minister of Education, Employment and Training, I am also delighted to inform the House that this also means the creation of 85 new jobs for South Australians within the child-care field.

PUBLIC SECTOR EMPLOYEES

Mr OLSEN (Kavel): I address my question to the Minister of Labour. Is the Government considering changes to public sector employment practices, including compulsory redundancies for employees declared surplus who have not obtained alternative employment within 13 months?

The Hon. R.J. GREGORY: No.

TOURISM CAMPAIGNS

The Hon. D.J. HOPGOOD (Baudin): My question is directed to the Minister of Tourism. Has the so-called 'Shorts' campaign, which directs South Australians to the advantages of tourism within their own State, been effective; and, if so, what evidence has the Minister to back up that assertion?

The Hon. M.D. RANN: I thank the honourable member for his continued interest in tourism, particularly in the southern region. The 'Shorts' campaign has, of course, been an outstanding success by every measure. Recently it received the highest accolade by winning a major international tourism marketing award—the Gold Award—for its category in the Pacific-Asia Travel Association 1993 Awards. Success must also be measured by outcomes, and here again we can say that 'Shorts' has been extremely successful. South Australia has achieved an 11 per cent increase in intrastate trips—the only State to record an increase in intrastate travel in the last round of national tourism statistics. We are well on target to meet the 1991-92 figure of over \$1 million in sales of the 'Shorts' product.

The entire 'Shorts' booklet was conceived and produced in-house by Tourism South Australia's brochure production team, whose members deserve full congratulations. Direct response advertising has resulted in almost 37 000 responses so far, with over 40 per cent of these returning a questionnaire providing details of holiday and accommodation preferences, family, mode of transport, etc.; and three further specifically targeted mailouts have been scheduled. The winning of this major international tourism marketing award is a deserving high point for Tourism South Australia as we move towards the new Tourism Commission.

PUBLIC SECTOR EMPLOYEES

The Hon. JENNIFER CASHMORE (Coles): My question is directed to the Minister of Labour. Is the Government planning a further reduction in the order of 3 000 in the number of State public sector employees?

The Hon. R.J. GREGORY: The Government will employ sufficient people to provide the services to the people of South Australia.

Members interjecting:

The SPEAKER: Order!

LINEAR PARK

Mr HAMILTON (Albert Park): Can the Minister of Public Infrastructure provide the House with a progress report on the outcome of the River Torrens linear park network study which was undertaken last year and released at a seminar last October? Together with the member for Henley Beach and others, I attended that very interesting seminar, and it was my understanding that a final report on the study was to be prepared for delivery to the riverside councils in the early part of that year. Together with many other people, I use that linear park, and there is considerable expression of interest in this matter, given that I understand there is to be a quadrupling of the use of that linear park in the next 10 years.

The Hon. J.H.C. KLUNDER: As the honourable member said, the linear park path network study was undertaken by consultants last year to develop recommendations for the riparian councils on such matters as safety, signage, changes in path usage and the use of the network for tourism and recreation. The

seminar in October, which I had the pleasure of opening, was held to enable a wide range of interested people and groups to discuss the study findings and to develop the format for the final report to councils. As agreed at that seminar, the outcomes of the various workshops held at that seminar were distributed to those people who attended so that they would be able to comment by early January this year, prior to the preparation of the final report.

I have been informed by the Torrens River committee that this consultation phase took a little longer than expected. Apparently, some additional comments received from participants had to be evaluated and discussed with the State Bicycle Committee before those comments could be included in the report. However, I understand that these matters are now being resolved, and I expect to receive the final report in three to four weeks, at which time it will be forwarded to the riverside councils. However, I can advise the honourable member that some of the safety recommendations in the report which were fully agreed at that seminar—for example, the line marking of paths—are already being introduced by some councils.

PUBLIC SECTOR EMPLOYEES

Mr OSWALD (Morphett): My question is directed to the Deputy Premier. Will the Government achieve its budget target of a reduction of 942 full-time equivalent employees for public sector agencies this financial year, and what is the target for total State public sector employment as at 30 June this year?

The Hon. FRANK BLEVINS: I suggest that those questions may be answered on Thursday. The member for Morphett and the member for Victoria, the same as all other members, should contain themselves until then.

LAKE ALBERT

The Hon. T.H. HEMMINGS (Napier): My question is directed to the Minister of Primary Industries. Was the appearance of dead fish along the shore of Lake Albert early in March an indication that the water is of danger to the stock? A constituent who had just spent a very pleasant Easter holiday break at Meningie has advised me that she heard that many dead fish appeared along the shore of Lake Albert in early March. This has distressed her, and she has asked me to seek an assurance from the Minister that the water is not contaminated and therefore a danger to all species of fish in the lake and to animals that drink from the lake.

The Hon. T.R. GROOM: I thank the honourable member for his question, because it was a matter that caused considerable concern in the South-East. Local landowners, in late February and March, reported dead fish along the shore of Lake Albert. It seemed that only one species, bony bream, was reported as dead or dying. The fish appeared to be dying from a fungal disease. I understand that occasional fungal outbreaks are a natural occurrence and bony bream under stress are known to be susceptible to the fungi. My department has advised me that it is most probable that the hot weather spell in

February and March caused the fish to be stressed, and the conditions also provided an opportunity for the fungi to proliferate.

There was a subsequent spell of cool weather which also reduced the bony bream's resistance to fungal attack and resulted in numbers of the species dying. Since that time, commercial fishers in the area reported catching large numbers of bony bream and other species indicating that it did not have a significant effect on the total resource. However, there is no evidence to suggest that the lake water is injurious to farm stock. While the dead fish have no direct impact on human health, the transfer of secondary pathogens can never be ruled out. However, on the evidence that I have, the latest spell of warm weather is unlikely to cause a recurrence. So, the honourable member's constituent who was holidaying in the South-East can rest assured that it did stem from a spell of hot weather and is not likely to recur at the present time.

HOSPITAL FUNDING

Dr ARMITAGE (Adelaide): My questions are directed to the Minister of Health, Family and Community Services. What Federal Government funds have been allocated to each of the major metropolitan public hospitals specifically this financial year to reduce waiting lists for surgery? How many operations in each hospital will these funds pay for? What will be the total number of additional patients operated on by the end of June as a result of the Federal Government's allocation of waiting list money this financial year?

The Hon. M.J. EVANS: I am happy to provide the honourable member with details of the individual programs which are part of the Commonwealth funding to reduce booking lists and in particular long waiting list patients. The program has been split into two years, with just over \$4 million this financial year and a further \$2 million next financial year, making over \$6 million in total for those procedures. Of course, in order to ensure that the best possible advantage is obtained from those Commonwealth funds for long waiting list patients, the hospitals and health units have been invited in effect to submit programs and tenders in two stages for this year's funding, and a similar program will be provided for next year. At the moment, of course, we have concluded the first stage of funding and programs in stage one of this financial year's program, and those procedures are now under way. Many have already been completed and the rest will be soon. They were designed specifically to tackle those who have been on the booking list for the longest possible period.

Stage two, which is under way at the moment for assessment, will ensure that many of the patients who are not treated in the first part have an opportunity of participating in that area and, of course, it is always the case that those proposals from hospitals which tackle those who have been on booking lists for the longest period or who have the most pressing medical cases are tackled as a matter of priority. With regard to individual health units, we have ensured that the funding is spread as far as possible across those health units so that all the metropolitan area is part of this process. It is a valuable

mechanism for addressing one of the most pressing problems of our health system and, if the honourable member is prepared to wait a day or so, I will give him the full details of the individual hospitals programs as far as stage one is concerned and then, when additional programs come on line from stage two, I will be happy to provide those further figures.

AIRLINE FLIGHTS

The Hon. J.P. TRAINER (Walsh): Can the Minister of Tourism advise the House whether any increase in the number of international flights to Adelaide is likely in the near future?

Members interjecting:

The Hon. M.D. RANN: It is interesting that some members opposite do not seem to think that tourism is important. In the recently released marketing report on directions for the new tourism commission, we have identified Hong Kong as a principal target. Indeed, a number of things will come up in the next few months because of the potential for accessing north Asia and the latest Australian Tourism Commission research which shows a change in what people from that region want in terms of experience in Australia. We are currently negotiating with a radio network based in Hong Kong for an exchange of announcers and programming between South Australia and Hong Kong. I am also pleased to be able to announce to the House that Cathay Pacific has just scheduled its second direct flight from Hong Kong to Adelaide, making two flights a week from 1 June 1993, on Tuesdays and Saturdays.

Cathay Pacific flies to 39 cities in 26 countries, in Asia, Australasia, Europe, the Middle-East, North America and South Africa. Its services from Tokyo, Nagoya and Osaka and its joint services from Sapporo connect directly to its Adelaide service. It also services two cities in Taiwan, Seoul, in Korea, and six north European cities and the United States and Canada, all resulting in valuable additional access from important emerging established markets for South Australia. This extra service will double the passenger carrying capacity of the airline and will provide an extra 16 tonnes a week of valuable export capacity for South Australia. That should be of interest to those on the other side of this House who claim to represent primary producers. It certainly fits in neatly with the strengthening of Tourism South Australia's marketing effort in Asia. I recently announced the contracting of a locally-based manager in Asia, releasing additional funds for marketing, and I certainly intend to make some other major announcements about our Hong Kong push in the near future.

HELPMANN ACADEMY

Mr SUCH (Fisher): My question is directed to the Minister of Education, Employment and Training. What progress has been made by the Government, the universities and TAFE to establish a Helpmann Academy? What form is the academy likely to take? In particular, will it encompass the visual as well as the

performing arts? Has the Government offered any seed funding to help get this much needed arts training facility under way?

The Hon. S.M. LENEHAN: I thank the honourable member for his question. The way in which he asked the question indicates that he and the Opposition would support any efforts that the Government can make to ensure that we establish a Helpmann Academy of Performing and Visual Arts in South Australia. I cannot give the honourable member a detailed answer to the question because at this stage I am working with the universities and the department to ensure that we can establish in South Australia a Helpmann Academy which will be a national centre of excellence for this State and country. I am having discussions with my Federal counterpart.

At this point I should like to put on the public record that this idea and the drive for it was initiated by my predecessor, the Minister of Business and Regional Development. I have enthusiastically picked up the idea and already had discussions with the universities, and I am delighted to inform the honourable member and the House that they have agreed in principle to the establishment of such an academy. I think it would be a great day for South Australia if we could deliver such a facility. I think that it is needed at national level. If we can ensure that happens, I shall be delighted with the obvious support that is coming from the Opposition. I shall be pleased to keep the Opposition spokesman and any other member of this House informed of the position. At this stage it is premature definitively to answer the question. Suffice to say, I am working as hard as possible to ensure that we can deliver it.

LOCAL GOVERNMENT ELECTIONS

Mrs HUTCHISON (Stuart): Can the Minister of Housing, Urban Development and Local Government Relations advise the House about the situation with regard to nominations for the forthcoming local government elections, which I understand closed on 25 March?

The Hon. G.J. CRAFTER: I thank the honourable member for her question and interest in local government. I can tell the House that considerable interest has been generated in this year's local government elections with 1 553 people nominating for the 1 196 elected member positions available in South Australia's 118 councils. Local government elections occur on a biennial basis, and this year the election will be held on Saturday 1 May—10 days away. Of the 90 councils to be holding elections, the highest number of nominations to contest positions have been received for the council areas of Whyalla, Millicent, Unley, Tea Tree Gully, West Torrens, Port Adelaide and Noarlunga. Overall, elections will occur in 566 positions, or just under half of all positions.

Also of particular note is the record number of women who have nominated for positions in this year's elections. Some 324 of the nominees are women—21 per cent of all nominees—and 178 of the positions held by women in our councils are unopposed. The growing interest amongst women in actively participating in the activities

of councils is also reflected in the number of women who have nominated for 23 mayoral positions. Moreover, 13 women mayors are to be elected unopposed, which indicates the growing interest by so many women in the activities of local government. With 21 per cent of nominees being women, I point out that this compares favourably with the representation of women in the State Parliament, where women hold only 12.5 per cent of positions. In summary, with the considerable degree of interest and commitment shown to date, the local government elections could very well see even more women actively participating in the activities of councils and an increased voter turn-out on this important day.

EDUCATION EXPENDITURE

Mr BRINDAL (Hayward): My question is directed to the Minister of Education, Employment and Training. When will a halt be called to the continual disruption to student studies caused by teachers being moved from schools, classrooms being removed from school grounds and children being moved from one classroom to another because of budgetary constraints caused by the State Bank debt?

I have received a letter from the parent of a child attending Tonsley Park Primary School. Already this year her son has undergone one change of teacher. Her son has been moved, with others in the class, three times to different classrooms, the school has lost a teacher because it was seven students under quota, and now the school is to have two transportable buildings removed which house an art room, the Aboriginal Nunga room and the parent room used for learning assistance programs and parent networking. The parents are wondering when their children can expect to begin their studies free from unsettling change and disruption.

The Hon. S.M. LENEHAN: I am disappointed with the member for Hayward. I would have expected—

Members interjecting:

The Hon. S.M. LENEHAN: He is almost beside himself. He obviously has something wrong with him. He is a worry really, shouting across the Chamber and behaving in this outrageous manner. He obviously did not have a big enough or interesting enough break in the recess. I should like to answer this question quite seriously, because, as with any question that relates to education, we need to put it into its proper and accurate context. We are talking about in excess of 190 000 students in schools throughout this State. That is the size of the area under the Education Department. With respect to the cheap comment about cutting expenditure to education, I remind the honourable member that the Education Department has a budget in excess of \$1 billion.

I find it rather interesting that the honourable member wants to make some kind of wild assertion about cutting funding. I have always acknowledged that we are going to continue to do much better with what we have. We are going to become more efficient and more effective. But what a load of nonsense to suggest that education is in some sort of chaos because there is an example of some disruption—and I acknowledge that—at one particular school. I inform the honourable member that I

am quite happy to look at this situation. If he had paid me the courtesy of bringing it to my attention, I would have been able to do that possibly last week so that we could ensure that when the students start in term 2 any disruption would be minimised. Does the honourable member seriously believe that in a system as diverse and complex as education in this State we will never have any slight disruptions, changes or need for modification? If he does, he is living in a fantasy land.

An honourable member interjecting:

The Hon. S.M. LENEHAN: Of course, the Leader hopes there are no changes, and therein lies another tale about the Leader and his precarious position. Mr Speaker, I must not be diverted. I realise that you will remind me that I am digressing. I find it amazing that a member of Parliament, who purports to be some sort of expert in education, would have such little understanding of the complexity and diversity of the education system that has operated in this State and is one of the best in the country. We on this side of the Parliament are working to ensure that it remains the best.

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: Look at Victoria and Western Australia and see what they are doing. I can assure the honourable member that I will address this problem, but I express my disappointment in his lack of understanding of our education system.

BRIDGE ROAD

Mr QUIRKE (Playford): My question is to the Minister representing the Minister of Transport Development. Will the Minister take up with his colleague in the other place traffic problems on Bridge Road at Ingle Farm and Para Hills and, in particular, safe vehicle and pedestrian movements from Research and Maxwell Roads onto Bridge Road and *vice versa*?

The Hon. M.D. RANN: I should like to assist the honourable member in doing so because we share Bridge Road in our respective electorates. I am aware of the increasing pressure on Bridge Road over the past couple of years, particularly with the links to Golden Grove. I am also aware of the controversy in 1986-87 over Beafield Road and so on. I shall be delighted to take up his concerns. Once again, he is at the forefront of the battle for road safety.

WOOL INDUSTRY

Mr BLACKER (Flinders): Will the Minister of Primary Industries and the Government give support to a call by the Victorian Minister of Agriculture and other industry leaders for an urgent national wool summit to seek solutions to Australia's current wool industry crisis? Recently, the Victorian Minister of Agriculture wrote to the Federal Minister for Primary Industries, the Hon. Simon Crean, requesting a priority meeting of all State and Federal Agriculture Ministers. Mr McGrath suggested to Mr Crean that State Governments, together with peak wool industry organisations, should be able to prepare submissions in advance of the summit for

consideration. Amongst those points to be examined should be the policies and options for managing the stockpile; the strategies aimed at increasing the sale of wool; the adequacy of assistance measures for woolgrowers under the rural adjustment scheme and the impediments to the development of a more efficient industry marketing structure.

A summit would allow a common view to be developed on the best ways in which the States and the Commonwealth could assist the wool industry, because there is a danger that excessive gloom will damage the wool industry and that too much pessimism will frighten the financial sector into withdrawing support for efficient growers when it is most needed. With this in mind the Federal and State Ministers would be able to work to avoid undue pessimism and instil confidence in the long-term future of the wool industry.

The Hon. T.R. GROOM: I appreciate the honourable member's concern in relation to this matter, because it is a concern that I share. But it is, of course, not the first time that summits have been suggested in relation to primary industries in areas of considerable concern to rural communities and the wider Australian communities. A number of summits and forums take place annually in primary industries for the redress of these matters. However, the honourable member's suggestion obviously has merit. I will consider it and advise him in due course.

PORT WAKEFIELD ROAD

Mrs HUTCHISON (Stuart): I address my question to the Minister of Business and Regional Development, representing the Minister of Transport Development in another place. Can the Minister advise whether the replication of the highway between Two Wells and Port Augusta is proceeding to plan? Can he also provide the House with up-to-date information on completion dates for the various sections of that highway?

The Hon. M.D. RANN: Of course, all of us would be aware of the tremendous safety problems over the years on the Port Wakefield Road and the need for a refurbishment. The predecessor of the present Minister of Transport Development, the Deputy Premier, initiated a major proposal to upgrade and duplicate the highway, and I understand it is proceeding at pace. It is a project on a national scale. I will obtain a detailed reply for the honourable member and her constituents, because this project is so important to the Spencer Gulf cities both in terms of tourism and in terms of road safety.

MODBURY HOSPITAL

Mrs KOTZ (Newland): Will the Minister of Health, Family and Community Services confirm or deny allegations that the six bed hospice unit at Modbury Hospital will be closed and that budget funds will not be reallocated to this essential facility in the 1993-94 budget?

The Hon. M.J. EVANS: I am sure that the member for Newland is well aware of the importance of this hospice unit, especially given its links. Also, she and I

share a concern in this matter, because the unit at Modbury is linked to the one at the Lyell McEwin. Indeed, the service which has been developing over the past few years at the Modbury Hospital and the Lyell McEwin is providing a very good service for those requiring hospice facilities in the northern region. Of course, the number of volunteers who are based around those hospice units and the fine work which those volunteers do in the service of the community is appreciated by all in this Parliament.

The problem to which the member for Newland draws attention is the appointment of a Director of that hospice at the Modbury Hospital. Indeed, as she has indicated, there have been some problems in that area. Despite the fact that funds are available for the appointment, a number of calls have been made, applications have been received but it has not been possible to finalise an appointment to that position.

I am hopeful that that issue can be resolved. It is certainly not one associated with budgetary problems in any way and, indeed, I can assure the honourable member that the continuation of that facility, linked as it is with the Lyell McEwin to ensure a service to the northern region as a whole, has my full support. I will be happy to work with her in respect of her own local area and of course with the boards of the Lyell McEwin and the Modbury Hospital to ensure that whatever possible can be done is done to provide coordination of the medical level for those two hospices and a continuation of that service.

VITICULTURE

Mr ATKINSON (Spence): Can the Minister of Primary Industries advise the House what the State Government is doing to support viticulture scholarship in South Australia.

The Hon. T.R. GROOM: I appreciate that question from the member for Spence, because a very important announcement was made by me as Minister of Primary Industries some weeks ago when I announced the establishment of the chair in viticulture at the Adelaide University's Waite campus, and that will give South Australia status as the leading State for wine industry education.

The chair in viticulture means that we will consolidate here in South Australia a world class team, because there are already chairs in horticulture and oenology, and the chair in viticulture will complement those chairs, making us the leading State in Australia. So the University of Adelaide will now become the major teaching centre for the wine industry in Australia, focusing on horticulture production and technology, viticulture for both the table wine and dry grape industries, and oenology for winemaking technology.

The funding is particularly important, because it does indicate the way in which this Government works and supports industry. The chair in viticulture will be funded initially for three years with combined support from the State Government, the wine industry and the university. I advise members that, without the support of the State Government, this chair in viticulture would simply not be

established, and the establishment of it is unique in relation to other States.

There was a grant of \$75 000 for each full year from the Rural Industry Adjustment and Development Fund, which I administer as Minister. That will continue for the next three years, being augmented by \$50 000 a year over three years from nine of Australia's leading wine companies through the Winemakers Federation of Australia. A further \$25 000 each year over the next three years will be contributed from the University of Adelaide. So, it does indicate the very strong and positive way in which the Government is supporting the wine industry in South Australia.

It is quite clear that we as a State are now poised to become one of the world's leading wine producers, with a domestic wholesale value of our wines worth something like \$550 million and an export value of \$250 million. Members would know that we are already renowned throughout the world for the production of premium grapes and fine wines, but this announcement underpins the industry in South Australia and it is a good example of the partnership which does exist between the State Government and industry.

RETIRED PERSONS

The Hon. D.C. WOTTON (Heysen): My question is directed to the Minister of Health, Family and Community Services. What specific action is being taken by Government to recognise the difficulties facing self-funded or independent retirees as a result of the reduction in income caused mainly by a fall in interest rates and a significant increase in the cost of Government services?

The Hon. M.J. EVANS: Many of the issues which the honourable member raises are, of course, associated with Commonwealth Government funding for retirees in relation to the matter of deeming provisions for interest rates and the return which people enjoy. In so far as that affects social security payments, that is a matter for the Commonwealth. I assume that he is talking about those senior citizens who fall outside the Commonwealth Government's social security net and who have been affected—

An honourable member interjecting:

The Hon. M.J. EVANS: I will deal with the member for Heysen's question, if you don't mind. The issue which arose from the honourable member's question clearly relates to those people who fall outside the Federal Government's social security net, and I am certainly prepared to look at that. Those people in the aged community are like many other South Australians who find themselves in a low income situation: they are required to make appropriate arrangements for their families in that context. It is not an easy process: it is a very difficult one, and the State Government, through the Department for Family and Community Services, provides a significant amount of assistance across the board. Funding for that, of course, is not limitless and has to be justified in the overall context of the budget provisions. Obviously, while the Government is keen to provide as many resources for family and community services to provide assistance for low income families, of whatever age group they might be, it is not of a limitless

amount, and those concessions, which are spread across a range of activities from electricity to local government, are a substantial part of the budget and will continue to be in the future.

So, apart from those comments, without a more specific reference from the member for Heysen, I leave it at the level of those generalities.

MONARTO ZOOLOGICAL PARK

Mr De LAINE (Price): Can the Minister of Environment and Land Management inform the House as to the progress made at the Monarto Zoological Park near Murray Bridge?

The Hon. D. C. Wotton interjecting:

The SPEAKER: Order!

The Hon. M.K. MAYES: There are some very exciting happenings at the Monarto Zoological Park, and I refer particularly to the work being done there by the board and the community. I acknowledge the work that has been done by the numerous organisations which have supported that venture, including the board and the staff of the Zoological Society. There has been a cooperative effort by the Murray Bridge council and the State Government with funding support from the Commonwealth Government.

I am sure that some members are already aware that there has been some opportunity for people to have a sneak preview of what is happening at the new zoological park. It is important that we acknowledge that many thousands of people have seen already what great work has been achieved there. Significant successes have continued and, when it is opened to the public in October, I believe that the Monarto situation will capture the imagination of the public not only from the point of view of what is being done in extending the operations and opportunities of the zoo but also with respect to the endangered species program, under which some 350 animals are now roaming the plains within the 1 000 hectare complex. The board, through the zoo, has joined with other zoos throughout the world as part of an international network supporting endangered species programs.

That is significant; over the past few years we have seen a movement away from the idea of having these animals in captivity for humans to enjoy and inspect to a situation where it is now part of an international network to support endangered species. The new zoological park will offer a greater opportunity for that program and also for the community to enjoy what will be an exciting new project in South Australia. Not only will it support tourism in this State but it will also offer our children an additional educational aspect in their learning programs.

ELECTRICITY TRUST OF SOUTH AUSTRALIA (SUPERANNUATION) AMENDMENT BILL

Her Excellency the Governor, by message, recommended the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

ASSENT TO BILLS

Her Excellency the Governor, by message, intimated her assent to the following Bills:

Aboriginal Lands Trust (Miscellaneous) Amendment,
Barley Marketing Act,
Construction Industry Training Fund,
Disability Services,
Education (Non-Government Schools) Amendment,
Government Management and Employment
(Miscellaneous) Amendment,
Industrial Relations Advisory Council (Removal of
Sunset Clause) Amendment,
Legal Practitioners (Reform) Amendment,
South Australian Health Commission (Incorporated
Hospitals and Health Centres) Amendment,
Whistleblowers Protection.

GRIEVANCE DEBATE

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

Mr LEWIS (Murray-Mallee): There is no doubt that the Minister of Transport Development (Hon. Barbara Wiese) is a disaster on two legs, not only for herself but for the whole department and the Government. Her behaviour and attitude to the welfare of the people for whom she has been given the responsibility is disgraceful. There are two matters which I must draw to the attention of the House today. It is within the province of her department to resolve a problem that was created by an unlawful—indeed, an illegal—subdivision by the Government at the time it acquired the land to construct the Swanport Bridge across the River Murray. It landlocked that land and made no provision for access yet, whilst she is the Minister responsible at the present time, she denies that she was involved at that time and can therefore now not be held responsible to resolve the problem.

Mr Becker: A deal crook!

Mr LEWIS: It is as crook as hell. It is about time that the Minister woke up to the fact that she is the Minister for whatever has to be done to resolve problems past and present, whether or not she was the Minister at the time those problems were created. The land in question is on the upstream side of Swanport Bridge and on the eastern side of the river. It is simply not fair to continue to deny those people who own that land the right of access that every other South Australian is guaranteed in law. The Minister has it within her power to resolve the problem. It was created in consequence of the way the then Highways Department acquired the land.

The other matter to which I wish to draw the attention of the House and for which the Minister is responsible is equally ludicrous. It relates to the sale and registration of a Subaru utility to one of my constituents by a company which has now gone into liquidation. The total amount of the transaction for my constituents who live near Karoonda was \$15 806. The firm that took payment for the utility listed that the registration fee of \$45 for 12 months was included, as was the compulsory third party insurance of \$43, and the stamp duty of \$468, making

the total purchase price \$15 806, including the delivery and handling fee. Now, because the Government's appointed agent—the dealer that sold the utility to this company—went into liquidation and its cheque bounced, my constituents have been told that their registration and third party insurance is null and void.

Despite my attempts to get them to understand that it is not the responsibility of the owner of the vehicle but that of the person who was liable to make that payment—

Mr Becker: The Government.

Mr LEWIS: In this case it is not the Government but the agent or the liquidator of the company of the agent, the agent being the agent of the Registrar of Motor Vehicles. It is the responsibility of that party to make these payments, and the Government's joy to get its money has to be with the liquidator. It cannot and should not be with my constituents. Now the department refuses to acknowledge that point and simply deregistered my constituents' vehicle. If my constituents attempt to use the vehicle, they will be guilty of an offence of driving an unregistered and uninsured vehicle. That is crook. It is not just a few dollars.

As all members know, these are hard times. If people are involved in wool and wheat production, before they can put one crumb on the table to feed themselves and their family, their average loss is about \$30 000. That is how much they are going backwards. It is particularly galling that the Government chooses to go to my constituents and say, 'Your ute cannot be used until you pay us what you have already paid to our agent, Brenrick Ford, the dealer. We are not interested in trying to collect from our agent; it is easier for us to get it from you and force you to sue the agent for the money that you paid the agent already. The agent took that money from your account in the process of cashing the cheque, and now refuses or is unable to pay it to us.'

The Government is crook, and the Minister is crook—as crook as hell—and that is why I am angry. It is about time the Minister understood that it is her responsibility as Minister. That is where the buck stops. She should sort it out and allow my constituents to retain the use of the vehicle for which they have paid and which they have registered to use.

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

Mr HAMILTON (Albert Park): It is well known in my electorate and indeed in the House that over the years I have made a commitment to my electorate, and most of my contributions in the Parliament surround and relate to what happens within my constituency of Albert Park. However, as have all members of this House, in recent times I have been made increasingly aware of the disastrous situation in South Africa. Anyone who takes the time to talk to people who have come from that country, as I have done in recent weeks, would know the tragedy of apartheid and of the assassination of political leaders. Irrespective of what their political views may be, the assassination of political leaders is not on in this country. No Australian would accept the assassination of a political opponent.

Only recently I was asked by a South African person to watch the film *Cry Freedom*. Anyone who watched

that film, a factual assessment and expose of what took place in that country, could not help being moved by the tragedy of what I see as a corrupt regime, based on the suppression of black people; because of an accident of birth, they are separated. A past member for Price, George Whitten, visited South Africa some years ago and was equally moved by the tragedy of that country and by witnessing black people being housed in townships where about 14 houses shared only one tap among them.

The assassination of Chris Hani is an appalling situation. The manner in which he was assassinated would leave most Australians chilled to their bones. We do not accept that sort of thing in Australia. We are very lucky in this country, despite what we may see as some of the problems in our economy, but the black people of South Africa have been thrown into this massive turmoil. Anyone in this country who takes sides in a political argument, be they a Liberal or Labor person, would not be moved to assassinate another person because of their political beliefs, but that is what the fanatics in South Africa have done, in the assessment I have made from talking to people who are still there today.

It is a tragedy to see people suppressed. One cannot blame people saying, 'Enough is enough; no more are we prepared to accept such suppression, where kids are slotted into an education system because of the colour of their skin or are treated in different ways because of the colour of their skin.' I share the Australian Government's horror at what happened in South Africa. It is a tragedy that I believe will not be resolved for many years to come. I make no apology for my show of emotion.

Mr GUNN (Eyre): The matter I want to raise in this grievance debate this afternoon is the deep concern felt by my constituents in the northern parts of South Australia and by people living in Queensland about the effects that the world heritage listing would have on the Lake Eyre basin. Their concerns were sparked by a comment made by the Prime Minister during the Federal election when he said:

Today I am pleased to announce that the South Australian Government has agreed to work with the Commonwealth to assess the environmental value of the magnificent and unique Lake Eyre region for world heritage listing. Once the necessary survey work is completed I am confident that world heritage nominations will proceed this year. If eventually accepted by the World Heritage Committee, this will represent a major step forward for conservation of our fragile and regions.

It may be all right to make those comments during the height of a Federal election, but no regard was given to the personal distress and anguish felt by these people who will be affected by this decision. No other country in the world would attempt to list a huge proportion of its land mass and hand its control over to some outside international body without regard for the welfare of the people who live in that area. What will happen to future exploration? What will happen to those people who live on those stations? Four of them are widows; some of them have their husbands buried on those properties. What will happen to those people?

It is all very well for the Prime Minister to strut around the country and give away their rights and their heritage, but what will happen to them? We know what

happened in New South Wales, where land was listed in this way. This Government should show a bit of political guts and have the courage to stand up for the people of this State and not take a course of action designed to appease a few radicals in the Conservation Council who have now put forward another submission, I was told today.

These people have no regard for economic common sense. The area in question has tremendous potential, not only for the pastoral industry but also for the tourist and mining industries. If we lock it up and restrict it, we will take a course of action that is detrimental to the welfare of all South Australians. These people are trying to grab a huge slab of Queensland, extending to the Northern Territory. This will affect the opal mining and precious stones industries. If this proposal goes forward, the South Australian Government should say, 'Enough is enough; we will not be part of this nonsense,' because any protection that needs to be provided can be provided under South Australian legislation.

The people in those areas have acted responsibly; they have been good, decent, hardworking citizens of this State, and we should be proud of them. I can say now that the fight is about to begin and that those people and I for one on this side of the House will not sit by idly and see their rights taken away from them and see South Australia disadvantaged. It is about time the Government stood up in this matter. We have a Development Bill before this House and the Premier will make an economic statement on Thursday; let him come out and stand up for South Australia. We know how irresponsible some of these minority pressure groups are and the sort of nonsense that has gone on up there with regard to fishing. It is the most ludicrous and irresponsible nonsense ever put forward, with not an ounce of commonsense. These people do not allow the facts to spoil their thinking.

The people cannot understand why the Government is proceeding in this manner, because once this land is listed they lose their rights. The people in Western Australia who have had a fight over this have already sought advice from a lawyer who has been involved in this exercise, and I will bring to the attention of the House the evidence involving another occasion; it is absolutely frightening. I was talking to one of my constituents today, and these people are absolutely beside themselves with worry. I said to them, 'You have to understand that these people you are dealing with are not rational.' They said, 'We have been told that if it is a choice between getting votes for the conservation movement and you people, you will miss out.' Those of us on this side understand that.

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

Mr QUIRKE (Playford): In the short time available to me this afternoon I want to put on the public record a few issues that I think will need to be addressed by the SGIC and the Terrace Hotel. Many members in this House have spoken to me over the past few months about problems that have been raised with them. The article in the media on the weekend which concentrated on probably the silliest aspect of this matter—namely, the cat—is something which I think needs to be put in

perspective, and that is what I intend to do here this afternoon.

I have had information shown to me involving a number of things that have happened over the road, and some of those things I need to relay into the public record here today. First, some two weeks ago at a public hearing SGIC presented itself to the Economic and Finance Committee and told us of its \$100 000 a year salary earners, indicating that not one—no equivocation at all—had received a pay rise. Indeed, one did—the Manager of the Terrace Hotel. As I understand it, his salary went up \$20 000 with, provision for a further \$30 000 bonus, which took his salary package to something of the order of \$180 000.

I want to make the next point quite clear to the House, because a lot of people say that SGIC does not own the Intercontinental Hotel since the new sign went up. That is not quite correct. The new sign has gone up but it involves a management and marketing agreement only. What is happening is that every person who is on the payroll is on the payroll of a company called Bouvet, which is a wholly owned subsidiary of SGIC.

Let me deal with a couple of other issues in the short time I have available. A number of items have been the subject of three internal audit reports that SGIC has conducted into that organisation. In 1990 and 1991 one of the items that was dredged up was a car that was bought and charged to the hotel. As I understand it, as a result of that internal audit the Manager was directed to pay for that vehicle. However, that did not happen with the Grange Golf Club membership, which cost the taxpayers, through SGIC, \$3 949 in 1990 and \$2 710 in 1991, \$1 500 of which I understand was charged to the hotel as expenses of the Manager. The Manager told the auditors that this could be used by anyone who was to stay at the hotel; in fact, the membership was exclusively for himself.

As I understand it, he has silver service meals delivered to himself and his wife in the suite at an agreed price of \$5 a day for the three meals, including the meals of many others who have eaten there. During the media publicity on the weekend, mention was made of a Christmas party. As I understand it, a large amount of money is going for meals provided through hospitality to people to whom the Manager sees fit to provide them. There are other irregularities in travel and in other expenses which have been charged to the hotel, and as I understand, and from what I have observed, a large amount of money, amounting to thousands of dollars, involves overseas telephone calls.

I want to get these items on the record here today, because I understand it is very difficult for the Government Management Board to inquire into the arrangements in place over the road. Tomorrow I will be giving a full briefing of this and much more to the Economic and Finance Committee. If it is possible for the Government Management Board to inquire into this matter, I think that it would be the appropriate body to examine these arrangements and ensure that taxpayers are not propping up something to which they themselves have no access.

Mr VENNING (Custance): I have grave concerns that the policies of the Federal Labor Government and the

example of the profligate State Labor Government are combining to turn us into a nation of spenders rather than savers. Nationally taxation and other policies of Labor Governments act as a positive disincentive to personal saving, yet never has there been a greater need for prudence in our own personal finances. A decade of these policies, coupled with mismanagement, has seen unemployment rise to the highest rate since the depression of the 1930s. The effect of this was to produce an entire generation whose horizons extend no further than the next dole payment.

Then, when it became clear that a tottering economy could not continue to sustain a cradle to the grave social welfare State, they forced employers to bear the main burden of providing for the nation's retirement needs, thereby further reinforcing the attitude that someone else will take care of things. It is not the people involved who are to blame for these attitudes: the blame rests squarely on Governments, particularly Labor Governments. The present situation is very serious. These Governments have been more concerned with social engineering than with providing a healthy economy in which enterprise can flourish and good habits and financial prudence at every level can be nurtured.

For its part, this State Government has presided over a collapse of our State economy of such monumental proportions that most of the ordinary people in this State cannot comprehend how deeply and in trouble we in fact are. The State Bank is the most obvious and the most damning example. Unfortunately, it is not the only cause of South Australia's economic woes. In fact, at almost every turn we are confronted by examples of this Government's rank incompetence—and we heard more today during Question Time of how the Treasurer has failed to answer the questions. There are issues such as Scrimber, a farce which cost \$60 million; SGIC, which needed a capital injection of \$300 million; \$1 million lost on Tandanya; an \$8 million payout on the Marineland project; and the list goes on and on. There are troubles at the Entertainment Centre. The result is a State debt of more than \$9 700 for every man, woman and child—that is nearly \$10 000 per person living in this State—and the level of debt has grown by a staggering \$1.279 million every day over the past 10 years. This cannot continue. It is absolutely out of control.

On Thursday I hope that we will here from the Premier something constructive as to how he will turn this around. I live in hope, but time has shown me that we will not see very much. Is it any wonder that in their private affairs people are tending towards the same attitude of spend it now and let the future take care of itself; or perhaps, more accurately, let someone else take care of me in the future (namely, the Government)? Personal savings, as well as being important to the future well-being of the saver, are of vital importance to our economy and help provide the capital with which business can grow.

Only in that way can our ailing economy be returned to the health that is necessary for real social justice. It is vital that our Federal and State Governments, particularly since Fightback has now gone, urgently put in place policies that will, in the case of the former, directly reward private savings rather than discourage them; and, in the case of both, provide the right measure to

encourage thrift within the population. The most urgent need on the Federal level is taxation reform to encourage savings. That will not take any major reform. We now have a situation where taxation encourages indebtedness—the system says that debt is good—and at the same time savings and investments are discouraged. Investment is doubly penalised: first, when the capital is earned and, secondly, every year thereafter when the interest on the money is taxed. That is ridiculous. In times like these it is patently stupid.

This State Government for its part needs to provide a lead for the community by adopting prudent and sensible policies. It is not doing it now: that is quite clear. Australia's individual debt is the highest in the world. I look forward to the speech that the Premier will make on Thursday as to what he will do. Will he be the first Labor Premier for 10 years to actually do something about the problem?

The SPEAKER: The honourable member's time has expired. The honourable member for Stuart.

Mrs HUTCHISON (Stuart): In the few minutes that I have available, I would like to speak about a woman I consider to be a great South Australian, a great Australian and also a wonderful international ambassadress for her people—the indigenous people of Australia, the Aborigines. In this House earlier today the Minister of Aboriginal Affairs paid tribute to Ms Ruby Hammond for her work over the past 20 to 30 years. Ruby Hammond was a woman of great integrity. She was a woman of dedication and compassion, and one who was well loved by her people.

An honourable member: How well did you know her?

Mrs HUTCHISON: I am sure that Ruby Hammond will be long remembered by those people for whom she fought so hard. I do not intend recognising interjections which are out of order, Mr Speaker. Everything Ruby Hammond did was in an endeavour to improve conditions for her people—the Aborigines. She was, I feel, an excellent role model. Young people who have known and loved Ruby Hammond for what she tried to do for her people have come to me in my electorate of Stuart. A lot of the young women in my electorate have adopted her as a model to follow because they feel that she genuinely wanted to do something for her people. Sometimes it was not always in the way that some may have considered appropriate, but that was the way Ruby Hammond was. She believed thoroughly in what she was doing and she did it to the very best of her ability.

For a number of years, as I pointed out, from the 1970s up to the current day until she died just recently, she was an activist of great prominence and one who actively lobbied in all sections of the Government. I might add that in those early days Ruby Hammond was probably a very lone voice to a large degree in certain aspects of her lobbying. She was a little bit before her time for a large number of the issues that she took up. Nonetheless, she had the great courage and conviction of her beliefs, so she took up those issues. She did not always win them, but she certainly fought to the best of her ability in order to promote the cause of the indigenous people of Australia—her main work being here in South Australia.

I believe that she had a great vision for her people and that she worked actively right up until her death to promote that vision for the Aborigines of Australia. I do not think that we speak enough about the people who contribute so greatly to South Australia and to Australia generally and, in the case of Ruby Hammond, internationally. I could name a number of other Aboriginal people who have worked extensively and untiringly and unstintingly for the cause of the Aboriginal people of South Australia and Australia, but Ruby Hammond was probably one of the first people who went overseas to promote the cause of her people. I believe that was when she was the Australian women's representative at the International Women's Year Conference in Fiji in 1975. In 1976 she was also a delegate at the World Peace Council in Switzerland. So, she would have been well known in those forums overseas.

This work has been taken up in specific areas in later years by other Aboriginal Australians, and I can think notably of Lois O'Donoghue, who is the current Chairperson of ATSIC, and also Archie Barton who went across to promote the cause of the Aboriginal people at the Maralinga site to get the English Government to take responsibility for what it had effectively done there. Today in this speech I would like to pay a great tribute to Ruby Hammond. I am sure that all of her people will pay great tribute to her. I think that the State of South Australia is very lucky to have had such a well-known activist.

OCCUPATIONAL HEALTH, SAFETY AND WELFARE (PLANT) AMENDMENT BILL

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety) obtained leave and introduced a Bill for an Act to amend the Occupational Health, Safety and Welfare Act 1986; to repeal the Boilers and Pressure Vessels Act 1968 and the Lifts and Cranes Act 1985; and for other purposes. Read a first time.

The Hon. R.J. GREGORY: I move:

That this Bill be now read a second time.

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

Leave granted.

The Occupational Health, Safety and Welfare Act has been in operation since 30 November 1987. The Act has successfully introduced a framework for solving occupational health and safety problems in the workplace. The approach is based on consultation and on ensuring the participation of everyone in the work force. Employers and employees are strongly involved through their representatives on the Occupational Health and Safety Commission in establishing occupational health and safety policy, setting appropriate workplace standards and drawing up regulations and codes of practice.

The Occupational Health, Safety and Welfare Act's current coverage includes plant in all workplaces located in South Australia (except Commonwealth property); regulations and approved codes of practice under the Act prescribe health and

safety standards for plant used at particular types of workplaces, for example, industrial premises or construction sites.

Other legislation covering plant in South Australia includes the Lifts and Cranes Act and the Boilers and Pressure Vessels Act (both administered by the Department of Labour) which apply to the design, manufacture and use of particular types of plant regardless of whether or not the plant is located in a workplace. The safety of amusement structures is covered under the Places of Public Entertainment Act; this Act is currently administered by the Department of Public and Consumer Affairs.

As a result of the State Government's commitment to achieving national uniformity of occupational health and safety standards by December 1993, it is proposed to replace all plant-specific legislation with a national health and safety standard for plant, called up under State occupational health and safety legislation. The national health and safety standard for plant is due to be finalised as close as possible to June 1993. To adopt the finalised national health and safety standard for plant in South Australia, it is necessary to amend the Occupational Health, Safety and Welfare Act before repealing the plant-specific legislation, to ensure that public safety interests are protected as some hazardous plant is located in premises other than workplaces.

The provisions of this Bill will allow for all health and safety standards relating to plant in South Australia to be consolidated under the Occupational Health, Safety and Welfare Act. It will facilitate the adoption of the national health and safety standard for plant. It will also ensure that public safety interests are protected in relation to hazards arising from certain types of plant including lifts, cranes, pressure equipment and amusement structures.

The Bill is a matter of priority because of the South Australian Government's commitment to participate in achieving national uniformity of occupational health and safety standards by December 1993. This commitment was given by the Premier at a meeting of Heads of Government in Adelaide in November 1991. It has been reaffirmed at subsequent meetings of the Conference of Commonwealth and State Ministers of Labour (MOLAC) during 1992.

MOLAC 50 (April 1992) agreed that plant should be given first priority for national uniformity. Responsibility for developing the national health and safety standard for plant was given to the National Occupational Health and Safety Commission. To facilitate adoption of the national health and safety standard for plant MOLAC 50 further agreed to organise legislative amendments where necessary to ensure that principal occupational health and safety Acts are consistent in relation to coverage of all industries, coverage of plant (recognising the importance of associated public safety issues), and provisions relating to the adoption of subordinate instruments. The capacity to cover all plant currently covered under plant-specific legislation is the only area where the Occupational Health, Safety and Welfare Act in South Australia does not currently meet the national uniformity requirements.

As well as meeting the national uniformity objectives, the Bill will also progress Government policy to rationalise regulatory requirements in this State, and the South Australian Occupational Health and Safety Commission's program to rationalise all occupational health and safety regulatory requirements. The amendments proposed in this Bill will facilitate the adoption of the national health and safety standard for plant which will result in the subsequent repeal of two Acts and the following regulations:

- the regulations under the *Lifts and Cranes Act*;
- the regulations under the *Boiler and Pressure Vessels Act*;
- requirements relating to amusement structures under the *Places of Public Entertainment Act*;
- plant safety requirements in six sets of regulations under the *Occupational Health, Safety and Welfare Act*;
- plant requirements in regulations under the *Mines and Works Inspection Act*; and
- plant requirements in regulations under the *Petroleum Act*.

The Bill amends the objects of the *Occupational Health, Safety and Welfare Act* to ensure the scope of the current plant-specific legislation is maintained, and includes the types of plant to which the Act's coverage will extend in a new second schedule.

The second schedule lists the types of plant (whether or not such plant is situated, operated or used at any workplace) to which the Act's coverage will extend. There are five categories listed and definitions have been included. The definitions have been drafted to ensure consistency with the definitions provided in the national health and safety standard; they also ensure that existing coverage under plant-specific legislation is maintained.

In some of the definitions provided the type of plant is of a 'prescribed kind', that is, it will be prescribed in regulations. The reason for this is that the definitions are broad and are designed to encompass any plant which is likely to be a risk to the health, safety and welfare of employers, employees and the public. However, it is not the intention to extend the coverage beyond that of the existing plant-specific legislation in South Australia. Exclusions will be handled via the regulations which will be developed once the national health and safety standard for plant is finalised.

The Bill also proposes amendments to relevant duty of care requirements and allows for inspectors under the *Occupational Health, Safety and Welfare Act* to implement the provisions relating to the specific plant, wherever the plant is located. The Bill ensures that public safety interests are protected in relation to hazards arising from the types of plant listed in the second schedule, that is, amusement structures, cranes, hoists, lifts and pressure equipment.

In conclusion, the Government is firmly of the view that this Bill is fundamental to achieving national uniformity of occupational health and safety standards by December 1993. The Bill is an important part of Government policy to rationalise regulatory requirements on business in South Australia and will be of benefit in streamlining the services provided by the Government in relation to ensuring the health and safety of employers, employees and the public from the hazards associated with plant. Accordingly, I commend this Bill to the House.

Clause 1: Short title. This clause is formal.

Clause 2: Commencement

This clause provides that the measure will come into operation on a day to be fixed by proclamation.

Clause 3: Amendment of s. 3—Objects of Act

This clause provides for an amendment of the objects of the Act in view of the fact that the Act is to extend to certain plant that may not necessarily be located at a workplace.

Clause 4: Amendment of s. 4—Interpretation

It is necessary to amend the definition of "plant" to include any plant referred to in the second schedule (even if that plant is not used at work). Furthermore, for the purposes of the operation of the Act, the safe operation or use of any such plant is to be deemed to be an aspect of occupational health, safety and welfare.

Clause 5: Amendment of s. 24—Duties of manufacturers, etc.

This clause will extend the duties in relation to plant under section 24 of the Act to plant to which the Act extends by virtue of the second schedule.

Clause 6: Insertion of s. 24a

This clause places specific duties on the owner of any plant to ensure that, so far as is reasonably practicable, the plant is maintained in a safe condition, that the plant complies with any relevant regulation, and that adequate information is supplied to any user of the plant.

Clause 7: Amendment of s.38—Powers of entry and inspection

This amendment will allow inspectors to enter any place where any plant to which the Act extends by virtue of the second schedule is situated. However, an inspector will not be able to enter a place which is not a workplace except at a reasonable time.

*Clause 8: Amendment of s. 40—Prohibition notices**Clause 9: Amendment of s. 41—Notices to be displayed**Clause 10: Amendment of s. 42—Review of notices**Clause 11: Amendment of s. 45—Action on default*

These clauses all contain amendments which will ensure that improvement and prohibition notices can be issued under the Act in relation to defective plant of a kind specified in the second schedule.

Clause 12: Amendment of s. 64—Evidentiary provision

This clause contains a consequential amendment.

Clause 13: Amendment of s. 66—Modifications of regulations

This amendment will allow the occupier of a place where any plant specified in the second schedule is situated to apply under section 66 of the Act for the modification of a regulation that applies in relation to the plant.

Clause 14: Amendment of s. 67—Exemption from Act

This clause will allow applications to be made in appropriate cases for exemptions under the Act in respect of plant specified in the second schedule.

Clause 15: Amendment of first schedule

This makes a consequential amendment.

Clause 16: Substitution of second schedule

This clause repeals the existing second schedule of the Act, which is now redundant, and enacts a new schedule that extends the operation of the Act to certain kinds of plant. The operation of the schedule (and the Act) will be subject to any exclusion or modification prescribed by the regulations.

Clause 17: Repeal of the Boilers and Pressure Vessels Act
The *Boilers and Pressure Vessels Act 1968* is to be repealed.

Clause 18: Repeal of the Lifts and Cranes Act
The *Lifts and Cranes Act 1985* is to be repealed.

Clause 19: Transitional provisions

This clause will empower the Governor to make, by regulation, such transitional provisions as appear necessary or convenient on account of the enactment of the measure.

Mr S.G. EVANS secured the adjournment of the debate.

SELECT COMMITTEE ON HEALTH ADMINISTRATION

The Hon. M.J. EVANS (Minister of Health, Family and Community Services): I move:

That Standing Order 339 be so far suspended as to enable the select committee 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.

SELECT COMMITTEE ON JUVENILE JUSTICE

The Hon. T.R. GROOM (Minister of Primary Industries) brought up the final report of the select committee, together with minutes of proceedings and evidence.

Report received.

The Hon. J.P. TRAINER: Mr Speaker, I draw your attention to the state of the House.

A quorum having been formed:

STATE BANK

The Hon. LYNN ARNOLD (Premier): I move:

That the report of the Auditor-General on an investigation into the State Bank of South Australia be noted.

The debate that we will have today, considering the report of the Auditor-General into the State Bank, is very important. I hope that, contrary to some of the questions that were asked in the last Question Time on this matter, this debate will actually focus on the 12 volumes of the Auditor-General's report, the findings of that report and the significant work that has been done by the Auditor-General into investigating events surrounding the State Bank. That has not been the case bearing in mind early comments made by the Leader of the Opposition who, even before the release of the report, jumped to judgment and made the reference that whatever the words of the Auditor-General the Government must be to blame.

I have indicated the Government's position in this matter and quite clearly this first report of the Auditor-General into the State Bank does provide clear evidence of the major failings of the bank's former board and management. It shows that those failings were consistent, ongoing and inexcusable. I have also indicated that this report, which is not in itself the complete report from the Auditor-General, does raise a number of questions that need to be further pursued, and they are being pursued. To the extent that any legal charges may arise out of any of the Auditor-General's or the Royal Commissioner's findings, I repeat once again that the Government is committed to pursuing to the full extent of the law any legal charges which could arise at the end of the investigations. In saying that, I repeat again that I am aware of and share the anger of South Australians over the decisions that were made within the bank by the former board and the former management which both the Royal Commissioner and the Auditor-General have shown resulted in the losses.

In going through the matter, it is apparent that a number of issues need to be dealt with. It is an extensive report—12 volumes—and it requires a lot of comment. The report is thorough and is the result of a very professional investigation. The Auditor-General found that the most important reasons for the bank's losses were shoddy credit risk evaluation and administration, especially of corporate loans and acquisitions which occurred in the context of rapid, unplanned, growth. The

Auditor-General also determined that there were other causes, less important, but nevertheless still significant, such as that neither unprofitable growth nor the Treasury function were managed strategically within the bank; secondly, that pricing and the pricing structure of loans and lending at rates unrelated to the cost of credit and bringing profit to account too soon were major problems; and, further, that the board's management of the Chief Executive Officer and the Chief Executive Officer's management of senior executives, including performance appraisal and remuneration based on recorded profit which provided motivation for the distorted recording of profit based on high upfront fees and lower interest rates requiring rapid expansion of lending in order to preserve the profit-based incentives, took place.

The Auditor-General has also found that matters relating to the construction of the State Bank Centre are relevant to the losses of the bank. Furthermore, the issue of the relationship with the Reserve Bank, which has been noted by both the Auditor-General and the Royal Commissioner, has now been regularised. Furthermore, there is the matter of the internal audit, which was especially lacking for overseas operations and in relation to the bank's strategic position. With regard to the raising of capital, the Auditor-General found that the board did not understand critically important matters and, although there had been some contention over the rates charged by SAFA, they were fair and, in particular, the loan arranged by J.P. Morgan could not be justified on commercial grounds.

The report confirms but does not emphasise that the bulk of the losses were incurred as a result of procedures and deficiencies which were in place prior to mid 1989. The reluctance or inability of the board to get beyond the CEO, however, meant that the board was not aware of the risks. It was beyond the terms of reference of the investigation to report on either the losses recorded after 12 February 1991 or the present situation, the important aspects of which are the performance of internal management and the board. Some of the implications which may be drawn from the report are identified, particularly requirements for monitoring, further review or action. I have indicated on a number of occasions the actions the Government has taken, both since the first bail-out of the bank was announced and on a number of occasions since then.

Going beyond the management of the bank, other issues may be identified by implications drawn from the report. They may be considered in two categories: effects on the economy of the State and debt management issues in particular and parallels which may be drawn with other institutions, including the State public sector as a whole. The report, as we know, has the following structure: the setting of the expansionary course and the associated credit risk; the obtaining of funds; the spending of funds, loans and acquisitions; internal management; external accountability; and reporting. The report has the following characteristics: it is a thorough report—12 volumes may be termed vast—and it is a very professional piece of work.

The Auditor-General is subject to at least two requirements: on the one hand, to answer questions asked in the terms of reference and, on the other, to avoid matters where irrelevant or beyond the terms of

reference. The requirement of the Auditor-General to find causes was a requirement to find and apportion responsibility. The fulfilment of this requirement with regard to individuals on specific matters necessitated the style of reporting adopted. The Auditor-General's findings, drawn one at a time, are each based on a trail of evidence and reasoning. Often the same piece of evidence occurs in the analyses leading to a number of findings, hence the repetition for the purpose of clarity. This is a necessary technique in the circumstances where the citing of circumstances and the reason for each conclusion must be complete and transparent.

The report is thorough because it addresses each of the terms of reference selected for report on this occasion and at the completion of each chapter shows the relevance of that work in terms of the terms of reference. It is also thorough because of the cited evidence and reasoning underpinning each finding, that is, that reasoning and evidence is comprehensive and quite transparent. The investigation clearly addressed its procedural terms of reference such as protecting appropriately the confidentiality of the bank's customers as evidenced by the reasoning provided for the selection of the six case studies that are published within the report. It is a very professional work, primarily because it is thorough, its processes provided natural justice to the persons under investigation, and the findings did not go beyond that which evidence and reasoning allowed. It appears that due care and responsibility were exercised in accord with the expectations and responsibilities entailed in the preparation of a report which would attract absolute privilege when tabled in Parliament.

The selection of 10 cases classed as performing loans may be too small a number to infer, on the basis of inferential statistics alone, that the bank had correctly classed its loans as performing or non-performing on the basis of 10 out of 10 loans classed as performing being found to be correctly classed. If non-performing loans are expected to form between 1 and 3 per cent of a loan portfolio in the normal course of business, and if one were to draw many samples of 10 loans at random, the most likely result in each case would be that 10 out of 10 would be found to be performing.

A number of issues are dealt with in the report. I do not intend to comment on them by virtue of the equivalent of 12 volumes of comment on 12 volumes of report, but a couple of issues need to be looked at, one of which is the causes of loss. The primary causes of the losses sustained by the bank were shoddy risk assessment and administration, particularly in corporate loans and acquisitions. Poor assessment was a major cause, but it was complemented by inadequacies in other aspects of loan administration, such as obtaining securities for loans. The rapid and unplanned growth of assets was a cause of the size of the loss. These assets were of two types: loans and acquisitions. Much of this growth activity occurred off-shore.

In association with what I have just said, the report reveals that identification of risk should have been a focus of management and the board. Subsidiary issues are credit risk, concentration risk and the Treasury function, which incorporates interest rate and maturity management, foreign exchange and liquidity management. In association with the rapid growth, the

report reveals there was a lack of infrastructure arrangements which, had they been in place, should have identified risks when they were emerging from the causes identified above.

The report also reveals that early and repeated warnings from the Reserve Bank were ignored and that the board or other parties, such as State Treasury, were not adequately informed. Allied matters would appear to be that problems were not communicated to the board until it was too late to avoid them. The bank's relationship with the Parliament was characterised by a low level of accountability with respect to all operational and general administrative affairs. Accountability mechanisms reduce risk, and the inadequacy or breakdown of accountability mechanisms increase the risk, especially the size of the risks taken and lost.

The Auditor-General's references to the following matters comprise the direct explanation of the rapid growth: first, the dominant influence and leadership of the then Chief Executive Officer, Tim Marcus Clark. This was expressed as a pervading attitude to 'do the deal'. Secondly, the bank's Government guarantee which gave it an almost unlimited ability to borrow. Thirdly, the bonus scheme based on recorded profits, coupled with a fee structure and an inappropriate accounting practice which brought an excessive profit to account in the period each loan occurred. This arrangement required a high level of loans to be made in the next period in order to maintain recorded profits and bonuses, in other words, the lead in to the growth of assets. Fourthly, the Auditor-General highlighted the board's failure to understand the significance of these issues.

The Auditor-General made two findings which I believe are important for us to understand in considering the above. First, that overseas business recorded a very low level of profitability; and, secondly, that the bank's information systems were inadequate in that they did not reveal the price of funds obtained by the bank resulting in no rational relationship between the bank's purchase and selling prices. The Auditor-General stopped short of ascribing motivation relating to this rapid growth.

However, it takes only a short step for a reader to infer that staff, and senior management in particular, were motivated to write loans without adequate regard for profitability over the entire life of the loan. While other causal factors were identified by the Auditor-General as contributing to the loss, they were much less significant than the matters discussed above. Other matters include: unprofitable growth not managed strategically; risk not managed strategically; the issue of the relationship with the Reserve Bank; and the question of management of senior managers and the CEO by the CEO and the board respectively.

There are some findings on the matter of the raising of capital, and it is important for three reasons. The Auditor-General's finding is to some extent at variance with findings of the royal commission. The Auditor-General found that the board did not understand these matters, which are structurally fundamental to the bank's operation. While commenting on the contentious loan raising arranged by JP Morgan, the Auditor-General avoided going so far as to state that the bank was motivated by a desire to avoid paying 'tax' to the State.

However, it takes only a leap perhaps for some readers to make that inference.

At no place in his report did the Auditor-General criticise the Government. Again, I come to the rush to judgment that the Leader of the Opposition has been prone to do even before documents of this nature become public. He assesses what he thinks are the findings and, when he finds they are not there, he rehashes his age old press release.

There are other issues that arise following consideration of the report that deserve some mention. There is the question of auditing issues in the bank: who should be the auditor and the role of an external auditor. These matters will have to be dealt with further, depending on the future of the bank. As I have already indicated, it is the Government's intention, subject to a fair price, to sell the bank. That clearly will affect any changes to the auditing arrangements.

There are other matters, such as the method of appointment of senior management of the bank. Again, these issues would need to be dealt with further if the bank were to remain in public ownership. If the bank were to remain in public ownership, the issue of the relevance of the Public Corporations Act becomes very significant. That legislation may be relied upon to reduce the risk of repetition of the problems encountered in the State Bank or in any other institution covered by that proposed Act. It cannot be relied upon to eliminate such risk, as nothing can ever eliminate all risk.

However, there are a number of ways of reducing the risk: careful determination of board requirements for each public corporation; careful selection of board members satisfying the requirements referred to earlier; regular reporting by the board to the responsible Minister by written reports supported by dialogue between the Minister and the board's Chair; the explanation of strategies and underlying analysis by the Chair to the Minister; and an independent review of the operation of the Act under which each public corporation operates, the minimum level of independence being an officer of the Government who is not employed by the corporation under review. These are important matters that will need to be dealt with in all Government corporations, especially if the bank remains in public ownership.

There are a number of other issues that come through, and during the debate this afternoon and this evening I believe they will be canvassed. I hope that members will look at the content and findings of the report and not seek to draw the long bows that on a number of occasions they have sought to do. The Deputy Leader laughs about this matter, but I note that, on the record of his previous comments, he will not want to pay too much attention to statements like, 'Mr Clark bears a heavy share of blame for the bank's losses.'

The Hon. Dean Brown: So does the Government.

The Hon. LYNN ARNOLD: I have the expectation that, in going through the 12 volumes of the report, the Leader, when he speaks, will make page references to every occasion when he alleges that the Government has been blamed by this report. It will be interesting to see that list when he comes out with it. Time and again this report comes out with statements that the former board and management showed failings that were consistent,

ongoing and inexcusable. That may not suit the Leader to know that was the finding, because he wishes—

The Hon. Dean Brown: We have the page numbers and will detail them all.

The Hon. LYNN ARNOLD: Then I shall comment further on those in my right of reply at the end of the debate. I think it is very important, in terms of fair consideration of this issue and certainly for all South Australians to have a proper understanding of what happened, that the whole report be taken in the context of what it actually says and not the wishful thinking of what the Leader would have liked it to say—not the kind of report which he would have wanted and which would simply have damned the Government. The Government has accepted that it had some responsibility for matters associated with this, and that was indicated with the resignation of the former Premier and Treasurer.

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. LYNN ARNOLD: For example, the Government has acknowledged that, in matters relating to the appointment of the board, the lessons of the 1980s not only for the public sector but for the private sector alike are that much greater care needs to be taken in the appointment of board members and much greater care needs to be taken by board members with regard to their obligations in accepting appointment to any board. That is quite clear from the very names of those who were appointed to the board, half of whom came from the time of the former Liberal Government and all of whom had considerable expertise in their own way, expertise which is acknowledged in both the Royal Commissioner's and the Auditor-General's reports; nevertheless, that expertise does not seem to have been put to the test or to effort by those board members when they had the challenges of the bank before them.

I hope that this will be an edifying debate. I can certainly promise that from this side of the House it will be a sober and considered view of the whole report, because that is what we deserve to have.

The Hon. Dean Brown: The ultimate blame is on the shoulders of the Government.

The Hon. LYNN ARNOLD: The Leader is so stuck in this track of the record that he has to jump to judgment. I suggest that he should reconsider exactly what is in the report and draw attention to all the volumes of that report. I commend the report to the House and congratulate the Auditor-General on his work in this first report. I look forward to his further reporting to Parliament and the further report from the new Royal Commissioner after receipt of the Auditor-General's findings.

The Hon. DEAN BROWN (Leader of the Opposition): On behalf of the Liberal Party, I commend the Auditor-General on his report. It is a very long report which shows incredible depth, and it was carried out under considerable pressures which demanded very careful consideration of all aspects. I urge all members to read that report carefully and to look at the detail. It is 2 400 pages long. Of course, we must take that into consideration with the first and second reports of the Royal Commissioner. In total, we now have 3 200 pages of reports which highlight the debacle that has faced this

State, and on every one of those 3 200 pages we can find the fingerprints of the Government.

In the first report of the Royal Commissioner, there were 97 specific references to the Government as opposed to the Treasurer or Treasury. Those are specific references which criticised the Government for its action or in places inaction or which highlighted powers that the Government failed to carry out effectively. In the second report, the Royal Commissioner made clear that his references to the Government were deliberately expressive. Although we have a Premier who was quite deliberately trying to infer that any reference to the Government referred specifically to the former Premier and Treasurer, the Royal Commissioner himself in his second report found it appropriate to point out to everyone that the definition that the Premier was trying to impose on Government was quite inappropriate.

Now we have the Auditor-General's report which fills out even more of the overall picture. It is a picture of the Premier, the former Premier and those who have been Ministers since 1987 being active participants in gross negligence, financial incompetence and a sustained attempt to mislead the Parliament and the people of South Australia. This is why the former Premier, on the last day of sitting, ducked our question about whether any ministerial colleagues had expressed concern to him about the performance of the bank.

The Hon. J. C. Bannon interjecting:

The Hon. DEAN BROWN: Yes, we did. We know that the member for Ross Smith refused, first, to answer the question and then, during the grievance debate when he had a chance to answer the question, again refused to answer the question that was put. We all know the position that he was in. If the member for Ross Smith had confirmed that his ministerial colleagues had expressed their warnings, it would have damned him and all of his Cabinet. If he denied the fact that they had even raised these points with him, it would equally have condemned them—perhaps even more so—for sitting on their hands and doing absolutely nothing from 1989 onwards. All those Ministers who were Ministers from 1989 onwards, including the Premier and the former Premier, now share the ultimate responsibility for the failure of the bank.

The Government desperately wants a former board member or a former bank executive to go to gaol to further develop this perception that the Government itself was blameless. However, what the Government cannot get away from is the fact that the bank would not have failed if the Government itself had not failed in both its duties and responsibilities. This message shines like a beacon throughout the reports of the Auditor-General and the Royal Commissioner, pointing to one irrefutable conclusion: that the Government must accept ultimate responsibility. The Government, however, desperately seeks to avoid the glare of accountability. It heaps misrepresentation upon misrepresentation, lie upon lie. The Government will collude with anyone it believes will help its case.

Today, in setting the scene for this debate, I want to put alarming new information before this House. It is information which epitomises everything this Government has done; it is information which shows how, at every turn, this Government has tried to hide the

facts and blame others for the bank's losses; it is information brought to my attention, totally independent of the inquiry of both the Royal Commissioner and the Auditor-General, by a source who is concerned that a serious breach of the State Bank Act may not now be pursued by the Government and that even now the full story of the Government's knowledge of the bank's problems at different times has not been revealed.

The terms of reference for both the Auditor-General and the Royal Commissioner required them to inquire into the bank's financial positions as it was disclosed in public statements on 10 and 12 February by the bank and the Government. In those public statements, it was said that the bank had bad loans—that is, loans on which customers had failed to meet repayment commitments—and that they could reach \$2.5 billion. The time frame that was put on this escalation of bad loans was three to five years.

As I will now show, this was a deliberate understatement of the critical problems the bank really faced—an understatement of the amount by about \$1 000 million. There was a concealment of the true extent of the bank's losses and the rapid rate at which the major bank customers were defaulting on their loan commitments. I will prove this point by referring to the original unabridged minutes of a meeting of the bank board on 5 February 1991, five days before the first announcement of the bank's losses. Those minutes reveal that the board was told that the bank had non-accrual loans (in other words, bad loans) that could reach not \$2.5 billion in three to five years but almost \$3.5 billion by June 1992—in just over 12 months. This was precisely what happened, and the Government knew all along that the bank's losses would be much higher than it was prepared to admit to Parliament in February 1991.

To conceal the true state of the Government's knowledge, board minutes were doctored by former Under Treasurer Prowse. The revelation on 5 February 1991 that an even more critical position faced the bank was amputated from the minutes prepared by the secretary to the board. Also cut out of the minutes was the decision by the board to approach the Premier's press secretary and his executive assistant, Mr Geoff Anderson—the man known as Bannon's minder—to obtain advice on how to handle the public release of this information. This was like giving a convicted bank robber the keys to the vault. It made the Government's determination to mislead the public all that more easy.

Later on that same day, 5 February 1991, the day that the board met, and after the board had given the much higher estimate of non-accrual loans, there was a meeting involving the former Premier (the now member for Ross Smith), Mr Anderson and representatives of J.P. Morgan who had analysed the bank's loan portfolio. At that meeting the former Premier was told that the estimate of \$2.5 billion for non-performing loans was too low, yet he came into this Parliament on 4 April and told this Parliament that in fact the estimated non-accrual loans amounted to only \$2.5 billion. I refer him to page 4063 of *Hansard* of 4 April, where he gave an answer quite specifically saying the estimate of the bank's non-accrual loans of \$ 2.5 billion was based upon actual data as at 31 December 1990 together with projections over the next three to five years. On 4 April the member for Ross

Smith deliberately came into this House and told this House something that he knew was quite wrong.

The Hon. FRANK BLEVINS: I rise on a point of order, Mr Deputy Speaker. The Leader has just said that the member for Ross Smith came into the House and said something that was deliberately wrong. It is a very grave charge. If that charge is to be made, it ought to be made by way of substantive motion.

The DEPUTY SPEAKER: I believe that, if there is a charge to be made against the member for Ross Smith, it indeed ought to be done by substantive motion, and I would ask that the honourable Leader temporise his remarks and make sure that he does not bring those things into his speech.

The Hon. DEAN BROWN: I am making the point that the member for Ross Smith came in here on 4 April and deliberately told this House that the non-accrual loans amounted to \$2.5 billion over the next three to five years. He knew darn well, because the member for Ross Smith was told on 5 February that that figure was far too low and that a figure of \$3.5 billion dollars would be reached within 12 months. The member for Ross Smith has got one hell of a lot of responsibility and explaining to do to this House as to why he deliberately gave the wrong information to this Parliament on 4 April.

Members interjecting:

The SPEAKER: Order! I was not in the Chair when the previous allegation was made. However, if an allegation is to be made against a member of misleading or regarding any other unparliamentary practice, it must be done by way of substantive motion.

The Hon. DEAN BROWN: I have not accused the honourable member of misrepresentation, because I realise that requires a substantive motion: what I have indicated is that the member for Ross Smith came into this—

The Hon. J.P. TRAINER: I rise on a point of order, Mr Speaker. To accuse a member of deliberately telling the House something that the member knew was untrue is to accuse that member of lying and is clearly a misrepresentation of the member.

Members interjecting:

The SPEAKER: Order! I uphold that point of order.

Mr S.J. BAKER: I rise on a point of order, Mr Speaker.

The SPEAKER: The Chair is dealing with a point of order and, when that has been completed, it can deal with another point of order. There are many other methods that can be used in this Parliament to make allegations and they are used regularly; however, the Standing Orders prevent members from making allegations of misleading or untruthful statements in this House except by way of a substantive motion. We are dealing with a substantive motion, but it does not deal with any member misleading Parliament.

Mr S.G. EVANS: I would like clarification, Mr Speaker. The Leader said that the member for Ross Smith gave the House wrong information. Are you saying that also needs a substantive motion?

The SPEAKER: That is not the last statement that the Chair heard. That was said earlier in the contribution by the Leader, but that was not the last statement I heard.

Mr S.J. BAKER: On a point of order, the Government Whip made the observation that what the

Leader said was tantamount to lying and you, Mr Speaker, did not say it was unparliamentary to accuse his own member of lying.

The SPEAKER: I will do that right now. It is unparliamentary to use the term 'lying'.

The Hon. DEAN BROWN: The facts stand there for us all to see. On 5 February the Premier, along with Mr Anderson and representatives of J.P. Morgan, was told, as were the others at that meeting, that \$2.5 billion was too low a figure for the non-accrual loans. Yet, on 4 April, he came into this House and said that \$2.5 billion of non-accrual loans would only be achieved over the next three to five years. There is a huge difference in the facts that this House has before it, and the member for Ross Smith has to get to his feet today and explain why those facts do not add up, because they do not.

Mr Venning: Now he's walked out.

The Hon. DEAN BROWN: We know why he has walked out; he is embarrassed. The member for Ross Smith has disappeared. He is an embarrassment, not only to the people of South Australia but to the Labor Government of this State, and we all know it.

Mr S.J. Baker: They don't want to see him; they'll get rid of him.

The Hon. DEAN BROWN: They will get rid of him before the next election. There is no doubt that the former Premier consulted his Cabinet colleagues before embarking on this plan of deception that has been brought before this House. The Government deliberately gave much lower public estimates of the bank's losses for two reasons, and these reasons are very important. First, the Government wanted to minimise the immediate political fallout by suggesting that the bank's losses were containable and would not cause serious long term damage to both the Government's and the State's financial position. I quote from a statement issued by the former Premier on 10 February 1991:

Mr Bannon emphasised that South Australia's position was quite different to some other States because of the fundamental financial strength of the South Australian public sector. He said this was demonstrated by the capacity of the Government to put this package together.

It was a hoax on the people of South Australia for the then Premier to say that. Already in the minutes of the State Bank there is a reference to the bank's being in a terminal situation where this section of the minutes was later deleted from the board minutes by Mr Prowse. The second reason the Government deceived the public on this matter was that it wanted to cultivate the impression that it and the board of the bank had been misled by the management of the bank. In other words, by announcing at the time that the non-accrual loans were \$2.5 billion, and putting that back onto the management of the bank and making sure it was recorded in the minutes as having come from the management of the bank, six months later, when they knew the losses were so much greater, both the board of the bank and the Government of the day, including the then Premier (the member for Ross Smith), could then say, 'But we were misled by the management of the bank.'

What have they done? They have used exactly that ploy for the past two years. We all know that both the present Premier and the former Premier, who has now come back into the Chamber, have used that excuse time

after time: we were misled by the management of the bank. The fact is that the former Premier, along with his ministerial assistant and minder, Mr Anderson, and other bank board members were all party to this grand and massive deception of this Parliament and of the people of South Australia. They must wear the responsibility now for that.

The doctoring of the board minutes and the refusal to disclose the real position of the bank presented an attempt by at least one board member and the Government to have most of the blame placed on the bank's management. The Government must now say what action it intends to take over the deliberate falsification of the State Bank board minutes. Evidence was given to the royal commission that on 13 February the board decided that Mr Prowse and Mr Hartley should review the original minutes of the board meetings—and listen to the ones that were amended—of 29 January, 5 February, 6 February (two meetings), 8 February, 9 February and 11 February 1991. When those minutes were returned, significant sections running to many pages had been gutted by Mr Prowse, and other major surgery was performed by the former Under Treasurer. Let me give the House an example.

I have the original minutes of the board meeting of 5 February 1991, involving nine pages of detail about the state of the problems of the bank. Let me highlight some of the sections in here. The minutes refer to the Director of Banking providing updated figures on the portfolio loss scenario. I will not go through all the detail, but it lists the sorts of losses that would have been made and concludes with the statement that by 30 December 1992 a \$3.5 billion portfolio of non-accrual loans would result. Now let us look at the amended minutes which run to just a few lines over four pages—from nine detailed pages down to just four pages effectively. We find that the section that talked about the \$3.5 billion has been completely deleted, along with all the other figures that

were given.

Let us look at what else was deleted when we come back to the amended minutes. Sections such as the following were deleted: Mr Hartley identified that the public relations effort would be in two levels: (1) the financial banking and corporate level; and (2) the political level which affected all South Australian citizens. The word 'affected' was misspelt, but it was the cover-up. Here was the political cover-up of the fact that the board itself was in bed with the Government in carrying out this deception of South Australians.

I further highlight to the House that the following section was also deleted from those minutes: 'It was appropriate to go to Chris Willis or Geoff Anderson to obtain advice from a publicity point of view to ensure that management was focused correctly.'

Mr S.J. Baker: Let's have that again.

The Hon. DEAN BROWN: 'It was appropriate to go to Chris Willis', who was on the Premier's staff, 'or Geoff Anderson (nicknamed "Bannon's minder") to obtain advice from a publicity point of view to ensure that management was focused correctly.' Here was the massive deception by the former Premier and his office and the board of the bank to deceive the people of South Australia, and this Government, including all those Ministers who were in the Cabinet in 1989, must share

the responsibility because there is no doubt that they were informed as to what was going on. You can just imagine that the former Premier would have gone into Cabinet and told them how he had fixed up the situation.

This matter was not covered in the reports of the Auditor-General and the Royal Commissioner because their terms of reference specifically cut off as of 12 February. This deletion of the minutes carefully took place on 13 February, or it was decided that it would take place on 13 February and subsequent days. They even got down to conniving to make sure that these matters could not be disclosed through either the Auditor-General's report or the royal commission. Here is the evidence that everyone has been waiting for clearly implicating the former Premier, the whole of his office and all the Cabinet, along with the board, in this massive deception, hiding how bad the problem was within the State Bank and doctoring these board minutes.

The Government cannot leave it unresolved just because the changes to the minutes were made after the cut-off point of the terms of reference of the royal commission and the Auditor-General for investigating the actions of the Government, the board and the bank management.

Members interjecting:

The SPEAKER: Order! The Leader's own side is making it very difficult for him to make his remarks and for the House to hear them.

The Hon. DEAN BROWN: I can understand their dismay. Here is the clear evidence that has now been produced showing that the former Premier and this Government were up to their necks in the deception carried out on South Australians. The important thing now is: what is Premier Arnold about to do in this matter? There has been a clear breach of section 12 of the State Bank Act, which requires that accurate minutes of all board meetings be kept. Are these accurate minutes, when we find that more than half the minutes have been deleted, with the knowledge of the Premier, the Premier's office and the board directors? Of course they are not. Now, the responsibility lies with the Premier to make sure there is a full and complete investigation and that the facts are brought to the House.

The Auditor-General has recommended that Mr Marcus Clark be further investigated for an offence under section 11 of the Act for failing to disclose a direct or indirect pecuniary interest. Even though it is outside the terms of reference of the royal commission and the Auditor-General, the Government cannot ignore a blatant breach of section 12 involving a doctoring of the minutes, and must identify all those involved, including anyone acting on behalf of the Government. This should include an investigation of the role of the Premier's office (including Mr Willis, Mr Anderson, the former Premier himself and others), which was provided with a copy of the transcript of discussions in the board meeting of 13 February 1991. It was during this meeting that a decision was made to review the minutes of seven previous meetings of the board. This meeting also discussed the consequences of calling a royal commission to inquire into the bank's losses.

Of course, we can just imagine it: here they are, they have been deciding how to doctor minutes and at the same time they are deciding how they will handle the

royal commission and the investigation into the bank. We can just see them carefully fitting these two together to make sure their own necks are protected. The Government must explain what business the Premier's office had with the transcript of highly sensitive board discussions about the calling of a royal commission in which the roles of the Government and the board were to be thoroughly investigated. Here was open collusion between the Government and the board to make sure that the evidence produced would suit their case.

The Hon. J.C. Bannon: What's the motive?

The Hon. DEAN BROWN: 'What's the motive?' he asks. The motive is to save your political neck and that of the Government, and we all know, Mr former Premier, that you were prepared to go to any lengths whatsoever to save the neck of your Government, even to the point of fixing—

The SPEAKER: Order! The Leader will direct his remarks through the Chair.

The Hon. DEAN BROWN: We all know that the former Premier and his Government, including the Ministers, were prepared to go to any lengths to save their political necks. They froze interest rates on two or three occasions before two State elections and a Federal election; we all know that, and the former Premier was right up to his neck in that as well. Here is new evidence that puts the Premier just as deep in trying to manipulate the evidence that would come out in public, again to try to save his political neck.

The Hon. D.C. Wotton: And he's asking us what the motive is.

The Hon. DEAN BROWN: And he asks what the motive is. No wonder his colleagues want to get rid of him. This Government, the former Premier, this Premier and the board of the bank have a great deal to answer for, but the Government is attempting a monstrous deception in arguing that the former board and the former bank executives must accept much more of the blame than the Government itself. This afternoon and this evening the Liberal Party and I will point out how the reports of the Auditor-General and the royal commission will show, first, that rapid, uncontrolled growth of business was the main cause of the bank's failure; secondly, that the Government blindly encouraged the bank in the growth strategies it adopted; thirdly, that at the same time, the Government failed to appoint a board with sufficient expertise to control a rapidly growing bank, and the Government ignored repeated warnings about this; and, finally, that the Government's influence prevented the board from dealing effectively with the Chief Executive, Mr Marcus Clark.

This chain of responsibility leads right into the heart of the Government itself and into the Cabinet room. To claim otherwise, as the Government attempts to do, is to totally misrepresent the Auditor-General and the Royal Commissioner and to ignore their reports. The Government claims it merely appointed the board, but it did much more. It chose to laud the bank; it extolled its brilliance, almost to the point of eulogising it.

The Government wanted to bask in what it saw as the reflected glory of the bank, and we know how, time after time, the member for Ross Smith and former Premier wanted to be filmed with Mr Marcus Clark by the TV cameras in front of that bank. The Government also

massaged the overwhelming ego of Mr Marcus Clark himself; it made him Chairman of the Grand Prix Board. It said, 'Here is the saviour of South Australia,' and he turns out to be the very man who has destroyed this State's economy. He and the bank were protected from parliamentary scrutiny, and by whom? By this Government. The Government provided them with a cover to put them beyond reproach.

In the 1985 and 1989 elections, the Government shamelessly used the bank for its own political purposes to manipulate home loan interest rates at a cost to taxpayers of several million dollars. Now the Government wants to blame the very people it brandished for so long as symbols of its own financial competence—people the Government has manipulated in the past for its own base political purposes. The first royal commission report is sufficient to condemn the Government. Any Government with a conscience would have resigned on receipt of that report. The second report of the Royal Commissioner and the first report of the Auditor-General do not in any way diminish the full responsibility that the Government must accept. On the contrary, they add to the Government's blame by exposing in further detail the massive Government failures identified in the first report of the Royal Commissioner.

Along with the rest of the members of the Liberal Party this afternoon, I propose to deal with three key areas of this: the growth of the bank, which will be covered in detail by the Deputy Leader; the role of the board, which will be covered in detail by the member for Bragg; and the role of Mr Marcus Clark which will be covered in detail by the member for Kavel. I will not go into the detail of each individual quote or give page numbers, because that will be done by the other members, but I come back now to the overall conclusion. This afternoon I have dealt with the issues of the Government's blind support of the bank's rapid, uncontrolled growth, its failure to appoint an effective board to control the bank and its refusal to entertain any criticism whatsoever of Mr Marcus Clark until it was far too late.

My colleagues will give further detail on those issues and will quote page by page what the various reports have said. The reports of the Auditor-General and the Royal Commissioner expose a chain of responsibility which traps not only the former Premier but also his successor, the present Premier and all those Ministers, including the Deputy Premier, who have served in Cabinet since 1989. They knew that these minutes were being doctored; they knew that the minutes were being doctored to protect their own political necks.

These reports that we now have untangle the story of a very regrettable episode in the history of our State. Hundreds of thousands of South Australians cherished the State Bank. I for one had my piggy bank at the State Bank or the Savings Bank of South Australia. I know that many of the cooperatives along the Riverland used the State Bank as their main source of banking. Home buyers used the State Bank to give them hope and security, and many small businesses relied on the State Bank for their support. Now it is to be lost, purely because of the incompetence of this State's Labor Government.

We are dealing here with a towering inferno of failed administration. The Auditor-General's report describes what happened on the management and boardroom floors, but the matches were hurled ultimately by a reckless Government. Rising up and engulfing all this is the failure of the Government administration, which has burnt at least \$3 150 million of South Australian taxpayers' money. The State Bank wanted all the opportunities of a fully commercial business without any of the obligations of accountability to the ultimate shareholders—the people of South Australia, who are now having to pay. In this, the Government fostered the bank with its failed administration of the State Bank Act. After all the evidence of its failures had been submitted to the royal commission, the Government said in its closing written submission to the Royal Commissioner in September last year:

It is equally clear, it is submitted—

this is the Government in its final submission—

that in broad terms the bank's losses had nothing to do with the Government.

How incredible! That is what the Government wanted both the Royal Commissioner and the people of South Australia to believe. There is no precedent for such a massive rejection of a Government's case by a Royal Commissioner and now by an Auditor-General. This House can only conclude from the Government's continuing refusal to accept accountability for the worst financial disaster in the history of government in the whole of Australia that the Government will never learn.

The Government without a doubt stands condemned. For that reason, I move that the motion we have before us be amended by adding the following words after 'noted':

and

- endorses the findings of the Auditor-General, and the Royal Commissioner, that rapid, uncontrolled growth of business was the main cause of the failure of the State Bank;

- endorses the findings of the Auditor-General, and the Royal Commissioner, that the Government failed to appoint a board able to control a rapidly growing bank;

- endorses the findings of the Auditor-General, and the Royal Commissioner, that Government influence prevented the board exercising effective control over the former Chief Executive Officer, Mr Marcus Clark;

- accordingly rejects the assertion of the honourable Premier in the House of Assembly on 9 March 1993 that the bank's former board, and its former Chief Executive Officer, 'overwhelmingly bear the responsibility for the bank's losses';

- and condemns the Government for its continuing refusal to be held accountable for the \$3 150 million of taxpayers' money lost by the State Bank Group.

The Hon. FRANK BLEVINS (Treasurer): I am constantly disappointed with speeches on this topic from members opposite because they do not seem to want to talk about the real issues. They want to go on in a highly political way, which has some attraction the first time around.

The Hon. Jennifer Cashmore interjecting:

The Hon. FRANK BLEVINS: Mr Speaker, I am on only the first sentence into my speech and the member for Coles starts chipping in. I notice the member for

Coles did not get a mention from the Leader as one of the lead speakers.

The Hon. Jennifer Cashmore interjecting:

The Hon. FRANK BLEVINS: That's right. I think you should be much more aware of your situation and not interrupt. The political statements have a bit of interest—a modicum of interest—the first time around. But, this is the third time we have heard them. The speech writers have not improved with repetition. Every tired cliché around the place is trotted out. Towering infernos indeed, and so on! Mr Speaker, it really is a bore.

The Premier did make a plea when he moved the motion that this debate be conducted with some sense of decorum and at least an attempt to stick to the topic at hand. His plea, obviously as far as the Leader is concerned, fell on deaf ears. The Leader made what I thought were unnecessary comments, which had nothing to do with the issue at all, about the member for Ross Smith's being an embarrassment to the ALP. I cannot speak for the whole of the ALP but I can speak for myself and my colleagues on this side, and I can assure the House that the member for Ross Smith is no embarrassment at all: none whatsoever. I would not have raised this myself, but seeing that it was raised by the Leader I would suggest that, if there is an embarrassment in this House, if there is embarrassment in respect of a leadership position in this House, it lies with the Leader. The Leader is a total embarrassment to members opposite.

Mr BRINDAL: I rise on a point of order, Mr Speaker. We are discussing, I believe, the Auditor-General's report. I do not believe that the Deputy Premier is debating the matter at hand and I therefore ask you to rule on relevance, Sir.

The SPEAKER: I will make a ruling that passing references—and let us be very gentle in this, as the Leader made many passing references in his contribution and I will allow passing references as much as the Leader was allowed as the lead speaker—should not become the main theme of the speech, otherwise the Chair will have to take some action.

The Hon. FRANK BLEVINS: I thank you very much for your guidance, Sir. I would not want to make it the main topic. There is no question that the biggest embarrassment in this House is the Leader—and there is equally no question whatsoever that the Leader is going. I would argue that very significant moves have been made today and, in fact, I suggest that members watch this space. What does the Auditor-General's report show? It is not a report that says, 'Blame the Government for this' or 'Blame the Government for that'. In fact, it is a very detailed text about how not to run a bank. I think that anybody who read the Auditor-General's report and the second report of the royal commission would have to agree that they ought to be standard reading for anybody who goes to university or for anyone who for their own interest or edification wishes to understand a little about business and how not to do it.

It is a chilling document; a dreadful document. It is a document that exposes dreadful incompetence and, even worse, indifference. The people were indifferent to what they were doing. Their behaviour was inexcusable. The

Auditor-General has stated in great detail, graphic detail, chilling detail, what actually happened. The question that I still have not had resolved, resolved myself or had resolved by others, is why it happened. It is absolutely inexplicable why this happened. Let us have a look at the board, who these people were and what qualifications they had. I have mentioned them before, but I think in this debate it is worth going through it again briefly. I make the point that half the board—50 per cent of the board—were appointed by members opposite when they were in Government, and I have no reason to criticise those appointments.

Members interjecting:

The Hon. FRANK BLEVINS: The member for Chaffey has made some comments. The member for Chaffey was in that Government; and the member for Kavel was a member of that Government, albeit very briefly, so he may be not quite so tainted. The then member for Davenport, now the Leader, was in that Government; the member for Heysen was in that Government; and the member for Coles was in that Government. They appointed these people. But why should they not appoint them? What was wrong with them on the surface? Lew Barrett was an Adelaide accountant of enormously high repute; Rob Searcy was a leading Adelaide accountant with a reputation absolutely beyond reproach; and David Simmons was arguably Adelaide's leading corporate lawyer. These people were not blow-ins off the street; these were very credible people, along with the others, who one would have believed—

An honourable member interjecting:

The Hon. FRANK BLEVINS: The honourable member will have his chance to speak afterwards. He has been allocated his spot. He should control himself until he gets his go.

The SPEAKER: Order! I ask the honourable member to wait his turn.

The Hon. FRANK BLEVINS: One could not have faulted any of these people. One could have said quite justifiably that they could have been appointed to any board in Australia and made a very significant contribution to that board. That did not occur in this case. Why they behaved in the way that they did is still one of the great unanswered questions; and the way they did behave is absolutely appalling. The Auditor-General's report reveals a pattern of behaviour by that board and the management which resulted in the bank's failure.

The pattern that was revealed by the Auditor-General had a number of characteristics which appear again and again in the 12 volumes of the report across the whole range of the bank's activities. Those characteristics include: the failure, immediately after the bank merger, to set up appropriate systems and controls for loan approvals and to manage the bank's liabilities; continued failure to establish those systems or to inculcate an appropriately prudent culture even when problems were emerging; appointment of inexperienced people to key jobs, such as liability management; and a lack of candour by management with both the board—in all fairness to the board—and obviously with the Government and shareholders. That has been pointed out right through this report.

While the board was certainly competent to handle the implementation of the merger, its banking expertise was quickly outstretched by the growth and complexity of the bank's operations. That is clear. Nevertheless, the Auditor-General also makes clear the board's failure to challenge management or to take the necessary action in areas where the board had the information to recognise problems and the expertise to deal with them. The Auditor-General makes that important point very clear: that even in areas where the board had the information—it had not been withheld by management—to recognise the problems, it also had the expertise to deal with them. One is left feeling somewhat incredulous about those individual decisions until one recognises this pattern which remained unbroken until it was very obvious that the bank was in serious trouble.

I want to refer to a couple of specific areas to demonstrate that point. The first is the critical area of the management of the assets and liabilities of the bank—or, rather, I suppose I should say the lack of management of assets and liabilities of the bank, because that is the Auditor-General's finding in volume 7 on page 152, where he said:

My most significant finding is that until 1990 there was simply no overall management of the bank's assets and liabilities. The evidence establishes that this part of the bank's activities were completely without coordination. The emphasis was on growth and profits. As a submission made by the bank itself observes, it was an organisation that was generally running ahead of its own management resources, capabilities and reporting systems. The evidence indicates that while there were deficiencies in the bank's assets and liabilities, management did not directly cause the losses which are the dominant focus of this investigation. Those deficiencies contributed to the body of critical circumstances in which losses were inevitable.

The Auditor-General goes on:

The sort of information that could have been produced included the position of Beneficial Finance and the concentration of the assets of the group in property transactions. There is evidence that, if a liquidity policy had been in place sooner, it may have led to a restriction of the bank's growth.

So, in those statements the Auditor-General spells it out very clearly. The bank was behaving in a way which made it inevitable that, if it continued on that path, it would have the problems that it subsequently experienced.

I suppose if we can say anything good comes out of these things—and it is pretty hard to say that when \$3.15 billion has been lost—and if we are looking for small mercies, if we are being a bit of a Pollyanna and trying to find a touch of brightness in all this gloom, then obviously we would have to say that some lessons have been learned—although, I concede quite readily that they were horrendously expensive lessons. Nevertheless, those lessons have been learned and the procedures are now in place to supervise the bank, from the Government's point of view through the Treasurer and Treasury, and from the Reserve Bank's point of view. I believe that those procedures are as good as we can get. I do not believe that there is anything that any of us can think of that is lacking in the supervision of the bank.

Having said that, does it mean that it cannot happen again? The bank is now under a new board, under new management, and under a totally new regime as regards

its obligations. Does it mean that it could not possibly happen again? I could not in all truth say that, and one of the reasons is that I was having a discussion with the former Chairman of the board, Nobby Clark—Australia's foremost banker—and he told me that there is no collective memory in banks. I found that quite alarming. If Nobby Clark, Australia's foremost banker, is not prepared to say that such an occurrence could not happen again, then who am I to contradict him? We have taken every prudent measure available; nevertheless, the taxpayers of South Australia are still guaranteeing the total liabilities of that bank.

It seems to me that, now that there is a complete understanding of precisely what that government guarantee means, the taxpayers of South Australia are entitled to have a look at that dilemma and the possibility of the guarantee being called on and determine whether the bank is worth it, and see whether those benefits from the bank—and there are real benefits; about \$100 million to the budget this year—are worth the risk of guaranteeing the total liabilities of the bank. That is far more than any shareholder is exposed to. The taxpayers are exposed to the total liabilities of the bank, and that can be up to tens of billions of dollars. That is a huge risk. The Government, with the assistance of the Federal Government, has said that the risk is not worth the revenue. If it was possible to put together a package which gave us the revenue benefits—the approximate \$100 million income stream—so we had all the financial benefits to the budget of owning the bank without the corresponding risk, without having to guarantee the total liabilities, then I believe that South Australians would be foolish to reject that proposal.

There is no way that we could get for the bank what it is worth to the South Australian Government and make that equation balance. Because of the tax free status of the State Government that, of course, would not flow onto a private purchaser. So, a private purchaser obviously would have to discount immediately the profits of the bank in the region of 39 per cent. It is only with the assistance of the Federal Government involving that tax compensation that the equation even looks like adding up, and that will be only when we can get a price for the bank that we think is worth putting to Cabinet and, obviously through the political process, to the people of South Australia. It is only at that point that we could contemplate selling the bank.

I believe that it will be quite a while before the bank is sold, and there is a very real possibility that the bank will not be sold at all, because this Government's basic position is very clear: unless the dollars add up, unless the income stream can be capitalised to a figure that ensures that South Australians have the full financial benefits of the bank without the risk of the guarantee, the bank will stay in public hands. However, the prudential measures that we have taken will, as much as is humanly possible, ensure that such a thing could not happen again.

There is no doubt that to a tremendous extent any business that is operating out there is in the hands of the board and the management. The amount of influence that shareholders can exert on such a body is not great. I concede that it is greater in Government than in the private sector, but anybody who buys a share is,

essentially, putting his money in the hands of a board and a management. I do not believe that it is worth it for the South Australian taxpayers, particularly if the bank can be sold at a price which maintains the financial benefits to the budget without the risk. I commend the Auditor-General for the work that has been done. It has been worthwhile, and I commend it to the House.

Mr S.J. BAKER (Deputy Leader of the Opposition): We just had 20 minutes of irrelevance from the Treasurer of this State. He has failed to do a number of things: first, he has failed to address the amendment; secondly, he has failed to refute the fact that his side of politics is again engaged in dirty little deals to hide the truth; and, thirdly, of course, he failed to address the substance of our attack on the Government, that is, that basically every member of the Government—particularly the Cabinet—is involved in this matter up to their dirty little ears. They will have to pay the price for it, and they should not be occupying the Treasury benches right now. Today the Leader revealed to this House that once again we had seen the Government, in the form of the then Premier, the now member for Ross Smith, trying to manipulate public opinion, trying to reduce the level of his culpability by allowing the minutes and being part of the doctoring of those minutes.

What is quite clear is that this Government will do anything whatsoever to have the truth contained and to ensure that the public is misled. I do have an object today and that is to talk about growth. The Treasurer talked about the Auditor-General's report being a chilling document, and I can only agree. With all that chill in the document, one must ask the question, 'How did it escape the attention of the Government that the bank's growth was unconscionable?' How did it escape the attention of the Government that the salaries of the managers of that bank were unconscionable? How did it escape the notice of the Government that it was involving itself in deals which must ultimately fail?

If we go through the Auditor-General's report, we see on page after page examples of unrestrained growth, incompetence of enormous proportions, lack of attention to detail by the Government, and lack of interference and allowing the matter to head off into the sunset and, of course, at the end of the day the taxpayers of this State face a bill of \$3 150 million. The latest evidence on the doctoring of the minutes is just typical of a Government that is willing to do any dirty deal to ensure that it stays in power.

The former Premier asked across the House what was in it for him. We know what was in it for him, that is, somehow to save his beleaguered Government and himself because of the magnitude of the losses that were to be exposed. When we are talking about rapid growth, we must question why that rapid growth was allowed to happen. I point out just for the statistical record that State Bank Group assets grew from \$3 150 million at 1 July 1984 when the merger took place to \$21 114 million at 30 June 1990, a growth of 572.7 per cent. It outstripped that of all other Government—owned and private banking organisations in Australia during this period. In July 1984, 62.5 per cent of the bank's loans were for housing, and this declined to 22 per cent by 30 June 1990.

At the merger date, in 1984, the largest single exposure to a client was \$40 million, and only two other loans exceeded \$20 million: by August 1989, 45 exposures individually exceeded \$50 million. The Auditor-General's report shows that the board approved an initial exposure of \$10 million to the Adsteam group at its first meeting on 28 June 1984. The Adsteam group exposure peaked at \$599.5 million at December 1989, and the outstanding loans to Adsteam of just under \$300 million were classified non-performing at the end of April 1991. That gives some indication of the explosion of the bank.

Another example in the Auditor-General's report shows that the bank's total exposure to the Remm project could be at least \$744 million, with a loss of more than \$400 million. The Auditor-General's report highlights the growth in overseas borrowings and, at December 1990, 34.8 per cent of the bank's loan portfolio was with overseas borrowers. Overseas assets totalled almost \$8 billion as at September 1990 compared with \$22.6 million at December 1985. So, the overseas exposures increased from \$22 million to \$8 billion, and the Government did not question it. Not once did it question it, and the now Treasurer pleads that it was not responsible, but is it responsible! If we look at the Auditor-General's report, we see a very long list of mistakes. Of course, the Treasurer pointed out that it is a chilling document. It is a chilling for a number of reasons.

The Leader mentioned that the State Bank was the bank which started off his piggy bank. That was the bank into which he put his first few pennies and shillings—ultimately 10 shillings. That was the bank with which we all dealt. Then that bank, with the assistance of the Government, went through this unbridled growth. He talked about a piggy bank. In some ways, if we draw the parallel, we can look at the State Bank as a super pig. The problem with the super pig is that it grew too fast. It did not have the growth of 30 to 40 per cent which is currently possible through genetic engineering: through political engineering we have seen the bank grow by 572 per cent. Not only did that super pig grow and grow but it spawned a lot of other little super pigs, and one of those super pigs was the Government which saw the advantage of having a bank that could do its will and which saw a bank that could be subject to political manipulation.

Mention has been made in this House on a number of occasions of how many times the bank was manipulated in relation to home loan interest rates. It was in the Government's best interests to allow that unbridled growth to occur, it was in the best interests of the Government to let the board and Marcus Clark run riot because there was perceived to be political gain, and it was in the best interests of the Government, although it would have us believe not now but previously, to have that growth of the State Bank because it was returning profit to the State budget. The Government would have us believe that was a healthy process. Of course it was a healthy process for the Government, because it was able to gather millions upon millions of dollars to which it was not entitled to prop up the 1989 State election budget, a budget that caused escalating debt problems for this State. The power within the bank was the power

deliberately exercised by the Government. Its growth profile was deliberate, and everything associated with the lack of attention to basic banking was the product of a Government which was interested in using the bank for its own purposes.

The Government had its snout in the trough in a big way, and all the Ministers had their snouts in the trough, because they knew it was to their political advantage to use the bank in the way that it was used during the 1980s and into the 1990s. It was another form of political corruption to allow that unbridled growth to take place and never to check whether the growth that was taking place was causing damage.

I should like to take up some of the issues in relation to the growth. It goes back to the merger and the appointment of the managing director. The board was never changed. We had a maniac for a managing director, who was actively courted by the Premier of this State—arms around the shoulders every day of the week—and who was being touted as the greatest banker the world had ever seen. At the same time he had these lame ducks on the board. He did not want to change them, because that might have meant some control over the bank. The Treasurer says, 'Look at the wonderful people on the board.' Of course they are wonderful people; they are people who started with the Savings Bank of South Australia and the State Bank, and they did a particularly good job. However, when there was an escalation in the liabilities and assets of the bank of the magnitude that we are talking about, there was no way in the world that such individuals could have coped with that situation. They were left on the board because they could not cope and they allowed Marcus Clark to run the race.

The Premier has called for specific references. The Auditor-General, in volume 1, page 24, of his report, said that 'between 1985 and 1990, 38.7 per cent of the bank's actual growth in assets was not budgeted in the annual profit plans'. He has described this growth as 'unconstrained, unplanned and highly opportunistic'. It was like manna from heaven. Nobody questioned it and did not want to question it because it was to their political advantage at the time.

The Auditor-General has reported that this information showed that 'the establishment of internal arrangements to manage growth were not adequate' (chapter 4, page 48). He reported that 'the excessive rate of growth over and above that which was planned meant that the planning procedures did not operate as an effective management control in the bank' (chapter 4, page 49). He also said that those assessing this information 'could not place reliance upon the strategic planning and budgeting procedure in undertaking its function of policy setting, overseeing management and reviewing progress' (chapter 4, page 40). We have a picture of a system that was out of control. The only body that could bring it back under control was the Government, and it refused to do so. I refer to the 1985-90 strategic plan and quote again from the first report of the Royal Commissioner; he said:

If what actually happened had been tested against the plan, the comparison would have prompted questions by Treasury—and that means the Treasurer—

that could very well have led the bank to take a more conservative stance on growth in the succeeding years, but no such comparison was made.

We have all these references in the reports of the Royal Commissioner and of the Auditor-General. Of great significance, as has been mentioned in this House before, is that, despite the fact that the Government kept saying that the matter was under control and the bank was operating appropriately, the Opposition was raising questions as early as 1989. In fact, in 1986 the Opposition raised the question about the funding of the State Bank building, and again it was supplied with a totally unsatisfactory answer. Even as early as 1986 questions were being asked. They gathered momentum in 1989, and it was not until 1991 that the Government admitted it had a responsibility and a problem on its hands or, more importantly, that the taxpayers of South Australia had a huge problem on their hands. I would again refer to the Auditor-General's report about the growth of the bank. He said:

There was an unlimited supply of money to fund the bank's expansion—the Government's guarantee meant that it could borrow whatever funds it needed as and when it required them without any real need to plan.

In effect, he says that it had an open cheque book. Who had the open cheque book? The Premier of this State. The Auditor-General further said (chapter 5, page 22):

The most significant factor in the management of the bank's large exposures was unquestionably the very significant increase in the bank's capital base. The bank's ability to provide increasingly larger loans, and to do so within prudential limits, was directly related to the substantial increase in the bank's capital base as used in determining the maximum exposures.

Who provided the capital base; who allowed the expansion? Of course, the Premier and Treasurer and the Cabinet of the day. They were, or should have been, aware of the possible results of their folly. In chapter 6, page 17, the Auditor-General said:

There is also evidence that the bank had no difficulty in raising whatever capital was required.

An open cheque book! Again in chapter 6, page 96, the Auditor-General said:

The evidence is clear that, for most of the period under review, the capital structure of the bank was not controlled by a predetermined plan, but was responsive to the growth taking place in the assets of the bank.

I refer back to chapter 1, page 27, of the Auditor-General's report, where he says:

As a group, the bank's senior managers were not up to the job. They have, in varying degrees, been responsible for some of the most irresponsible, reckless and imprudent decisions made by the bank.

That has been used by the Government somehow to get itself off the hook. Clearly, it was the Government that made decisions on the personnel on the bank's board and it was the Government that opened the cheque book and allowed the bank to proceed at a rate of growth which could never be sustained and which would ultimately lead to the disaster that we have seen. There is other evidence which should have set off the red lights in the Cabinet room. In chapter 5, page 62, the Auditor-General said:

The need for an effective system for controlling group wide risk was recognised from 1985 when the objective of establishing such a system was included in the 1985 strategic

plan. There were repeated references to this need over the following three years. Despite this, no action was taken to implement centralised monitoring of the group's credit risk exposures until September 1988.

The Government had the bank's plan. It knew that the bank was not proceeding to plan, yet no questions were asked and excuses were given. I would also make the point that the Auditor-General, in chapter 7, page 155, said:

It should have been clear that the bank was growing at a rate which exceeded all planning. The growth should not have been allowed to continue in the absence of support from appropriate systems and procedures.

In chapter 16, page 5, the Auditor-General, referring to the Government's role, said:

The Treasurer and, by necessity, the officers of the Treasury responsible for advising the Treasurer participated in and provided an additional layer of review in the bank's process of acquiring certain equity investments.

They were right in there and they were major participants. It was not only the growth of the bank but the style of growth of the bank. If we did not have enough warnings filtering through the system, we must ask about the competence of the then Cabinet, which is mostly the Cabinet that we have today. I refer to Adsteam, with an exposure increasing from \$10 million to \$600 million; to the Remm exposures amounting to \$744 million; and to the Hooker exposures, escalating to well over \$150 million. They are not the only ones; we have had more recent examples. It is a shopping list of disasters; a shopping list that fails comprehension.

As an individual within this Parliament the thing that strikes me most is that nobody can grasp the full enormity of the losses and no-one can grasp the full enormity of some of the individual losses whether they involve the Remm project or the—

The Hon. H. Allison: It makes the *Titanic* look small.

Mr S.J. BAKER: It makes the *Titanic* look small, as the member for Mount Gambier says. But there were adequate warnings. We knew about the National Safety Council and Equiticorp, for example, and we knew that they were all part of this unbridled growth. We were told about the Interwest Hotel carpark/retail complex on the corner of Bourke and Exhibition Streets, where the loan outstanding as at March 1991 was, according to the Auditor-General, \$69.7 million, with an estimated loss of \$29.7 million. We know about the State Bank itself and the way it built its own building. At chapter 24, page 23, of the Auditor-General's report an Adelaide architect said:

The construction industry saw this project as an opportunity to screw more out of the system. Collude, if you like.

The Auditor-General's report is full of it. We have had a Cabinet operating in this State now for over 10 years. It was all around them; it surrounded them; it enveloped them. We had the Premier of this State and his Cabinet Ministers saying day after day, 'There is not a problem. It's all a try on by the Liberal Party.' That is what we had. He was putting pressure on all his mates who had obtained loans from the State Bank to say to the Liberal Party, 'Look, shut up. You're causing the bank problems.' We knew what was going on, and we knew of the telephone calls being made that ultimately had people approaching us because the Premier of the day

found that he could give out credit—and very large lines of credit—to his ultimate benefit. He could keep people quiet who would normally have been against him.

The SPEAKER: The honourable member's time has expired. The member for Ross Smith.

The Hon. J.C. BANNON (Ross Smith): This debate is on the motion that the report of the Auditor-General be noted, and I intend to refer to some of the points raised in the Auditor-General's report, which I have to say at the outset is an extraordinarily thorough and comprehensive document. An enormous amount of research and effort has gone into a document which is enormously valuable in understanding what went wrong and why. It is a report that when one reads it fills one with a great deal of anger and I would have to say, in a personal sense, a real sense of betrayal as one reads of the litany of incompetence and malfeasance of responsible persons of whom great expectations could reasonably have been held.

Be that as it may, let me at the outset respond only to one point by the Leader of the Opposition seeking to puff up this matter of doctoring of minutes and interference from the Premier's office, and so on. I totally, of course, reject that allegation. Indeed, at the time when the full extent of this problem was becoming evident my instructions were to try to get as accurate a figure as possible.

It was pointed out at the time that in the period allowed, particularly as far as J.P. Morgan's was concerned, it was not possible to come to final conclusions. Indeed, their reporting brief, you may recall, was until 30 April. In the face of market rumours and an alarming situation, which could have caused a run on the bank and indeed seriously destabilised the total finances of South Australia, something had to be done, and it had to be done quickly. It also had to be comprehensive, and there was no way that I would have wished us, as a Government, to come back some months later and say, 'The loss is larger than in fact we believed it was.' It would just have made absolutely no sense.

On the contrary, I recall being insistent that we try to arrive at a figure that in fact erred on the side of overstating the problem in the desire to ensure that we did not have to have that second hit. Well, regrettably that did not come about. I totally refute the allegation and the very selective quoting by the Leader of the Opposition that in some way misleading occurred.

I refer to the statement made to this House on 12 February 1991—that passage at which I was talking about the differences emerging between the book value of the principal amount of the bank group's loans and related assets and their realisable value—as follows:

Following the detailed investigation—and I had already explained the limitations that were necessary, particularly in terms of time—to which I referred earlier the present value of these differences is estimated at \$990 million. The fact that this is an estimated figure does need to be emphasised.

Those are the words I used. I continued:

The actual value of the indemnity will depend on factors, which by their very nature cannot be predicted with accuracy.

Important amongst these factors are future developments in property markets in particular.

There it is quite clearly stated. Later in the statement I referred to the amount of \$470 million which I said 'remains in the account which will be supplemented if required and to the extent necessary'—again, quite clearly indicating the nature of that figure. As to whether the Government, perhaps even the board, should have had better or greater knowledge I would remind the House, as I said in the statement, that in fact the figures we were using were ones that had been looked at by the Reserve Bank and concurred with by them in the statement itself. Again to quote:

The Reserve Bank is fully aware of the arrangements and has confirmed that the State Bank is continuing to meet the capital adequacy requirements of the Reserve Bank. The Reserve Bank has reviewed the deed of indemnity, the financial arrangements being put in place and the State Bank's financial projections. The Reserve Bank has noted that on the basis of these arrangements certain things will follow.

I simply quote that to indicate that this was a matter of such delicacy, of such vital importance, as far as the market and its reaction was concerned, that it could not be played around with politically and we had no intention whatsoever of doing so. That was made clear at the time, and it is wrong and nonsensical for the Leader of the Opposition to imply otherwise.

Returning to the Auditor-General's report, it is as well to remember that the things to which he has drawn attention and the detail that he has produced have come as a result of an extremely intensive exercise. It has taken two years and it has taken a great deal of expertise to uncover the story of the State Bank. Of course, the Auditor-General's exercise is only part of that because similarly the Royal Commissioner has undertaken a very major exercise into other aspects. At page iii, the Auditor-General himself says:

The investigation has proved to be an enormous task. It has involved the review or detailed examination of several hundred thousand pages of evidentiary material, including 17 000 pages of transcribed evidence taken to date during my investigation. He goes on to say that in addition there were a number of witnesses under oath. In the first volume, at page v; he refers to the consultants and thanks them:

All consultants who have assisted me in legal, banking, accounting, auditing and other matters have made a significant contribution and I express my appreciation to them. The only point in quoting that is to underline the fact that, if it has taken the Auditor-General this time to conduct this sort of exercise, in hindsight with those sorts of resources how impossible would it have been for us, in the course of these events taking place, to have taken the action that the Opposition talks about? If we had had a total banking division of Treasury, a supervisory organisation comprising the lawyers, auditors, accountants and so on, perhaps one could argue that the Government could have seen what was going on and perhaps taken some sort of action that would have stopped it.

I would suggest that if we had established such a body the loudest cries against it, the greatest protest, would have been not from the State Bank board (although they certainly would have protested) but from the Opposition, which at that stage and right up until it suited their

purpose and late in the day, was a strong advocate of the hands-off policy. This followed a long tradition, a tradition that had David Tonkin as Leader of the Opposition standing in this place moving a vote of no confidence against the Dunstan Government for what he said was interference with the commercial dealings of the then Savings Bank of South Australia. So, there is a long tradition there. In hindsight, many things can change, but we did not have that capacity and, if we had attempted to assemble it at the vast cost that that would have involved, we would have had some very loud critics, including the Opposition.

To come back to the report, it is fair to say that the Auditor-General has endorsed the amalgamation of the bank and the reasons for its creation. At page 3-7 of volume II he states:

The updating of the charters and powers of the banks [the two pre-existing State Banks] was seen as being essential if they were to be efficient and competitive in the newly deregulated banking industry. The South Australian Government was not alone in modernising the legislation of its State Bank. Similar changes were made . . . [in] Victoria, New South Wales and Western Australia. The Commonwealth Bank was restructured, and its capital increased, in June 1984.

So this was a logical thing to occur. He goes on to say:

The amalgamation of the two State-owned banks to form a single, new State Bank was an inherently sensible idea.

So, what was being done with the endorsement of the Opposition at that time was logical and sensible, but it was being done at a time which in hindsight can be seen to have created disastrous consequences. I commend all members in referring to the Auditor-General's report to look at that section of the report that deals with the economic and financial environment in which the bank was established and operated. It is a very good exposition of the impact of deregulation and the effect that had on the banking system as a whole. That is the reason that a number of the foreign entry banks, the 15 banks introduced as new competitors at the same time, had such diabolical problems. We know particularly in this State of the problems of the Standard Chartered Bank, Citibank and others. It is the fact that Westpac and ANZ, the big major banks, the great performers in Australia, had huge problems. It is in that economic and financial environment that we must put our own State Bank and give some context to what happened and make sense of it at that level. On pages 3-11 to 3-20 the Auditor-General deals with that matter extremely competently indeed. He states:

... it is unquestionably the case that the bank's business strategy following its formation was very heavily influenced by the new competitive environment as the bank sought to compete against the newly deregulated private banks.

Deregulation meant that infinite funds were involved and the banks could negotiate their own rates in corporate lending. They were freed up to compete, and they fought for market share. A whole heap of new players had been introduced into the field at the same time. There was a competitive environment that meant that, if this new State Bank was to survive, somehow it had to be part of it. One of its tactics, again very sensible, was to join with the other State Banks of Victoria, New South Wales and Western Australia, to work in some sort of collaboration with them to try to offset the competitive disadvantage they might have had. There were enormous

adverse consequences from that deregulation. The economic environment, which included inflation, high interest rates, the fact that borrowers were able to shop around, no longer having to go cap in hand to their bank manager who was now pressing money on them—all around the country this competition for market share was part of a scene that made any bank operate in difficult circumstances, and we have seen the fall-out in the banking system in consequence. It is summarised well by the Auditor-General—

Mr Atkinson interjecting:

The Hon. J.C. BANNON: Those opposite welcomed this as a prime improvement and reform in our system. At page 3-20, the Auditor-General states:

It was into this highly competitive, unfamiliar and volatile financial and economic environment that the new bank was launched, with a commercial charter and an expectation that it would compete. With the advantages of hindsight, it is clear that the challenge faced by the board of directors and the management of the bank could hardly have been more daunting and difficult. The well-documented losses experienced by most financial institutions as a result of their activities in the 1980s stand as testimony to the difficulty involved.

Among those difficulties was recruiting experienced staff and having decent systems to operate. Our bank was a victim of all that.

That in itself is certainly not the reason that the bank failed to such a large extent: that is only the context in which its failure was possible. The direct causes are dealt with by the Auditor-General. For instance, at page 1-50 in his findings in conclusion, he talks of a series of them, as follows:

The conduct by the bank of its lending business was among the matters which caused the financial position of the bank as reported in February 1991. The poor quality of the bank's lending decisions was the single most important cause of the bank's losses.

It was not the only one, but the single most important one. He goes on to outline a number of others, including inappropriate lending policies, directors who did not have the necessary experience, the inadequate way in which decisions were made and the failure to supervise the bank's activities, as well as the activities of the bank's Chief Executive Officer, and so on. They are all there and they are laid out. They are not something to do with the shareholder and the shareholder's role in running a bank. They are very much to do with how a business conducts itself under a board of management, and that is a principle which is firmly embodied in the market operation of any organisation, strongly supported by those opposite.

Mention has been made of this capital question. It is something that was examined in the royal commission as well. The fact is that the Auditor-General looked very closely at the capital provided to the bank and the capital structure. He dealt with the argument that the Government's provision of capital and the demands made on the bank by the Government for a return on that capital were in themselves a cause of the bank's failure, and he rejected it very explicitly. At pages 1-38 and 1-39 he deals with this in summary. He points out that this argument had been put and he states:

This submission from the non-executive directors compelled me to investigate in considerable detail the nature and terms of

the bank's capital structure. Having done so, I have concluded there is no substance in their submission.

He goes further:

Indeed, that submission demonstrates the paucity of financial knowledge that was a characteristic of the bank's board of directors.

It is interesting to note that Mr Prowse dissociated himself from that argument, but he repeats at page 1-41 that using it and putting it in this way:

...speaks volumes for the difficulty those directors had in grasping even this basic element of the bank's structure.

It is not good enough to raise that argument and suggest it has been endorsed. It has not been.

The responsibility of the directors cannot be shirked, and the Auditor-General, who is a man personally very experienced in corporate affairs and in the responsibilities of directors and managers of corporate organisations, makes the point about the directors at page 2-36. He has explored in detail whether or not they have a statutory responsibility, how it is modified by the Act, and so on, and makes this conclusion:

I should add this further comment. Whatever may, in strict law, have been the precise measure of the board's responsibility for laying down policies and seeing to their implementation, there is nothing in the Act or, so far as I am aware, in the general law that would have released the board from taking ordinary, down-to-earth measures to discharge that responsibility. It is neither unfair nor unrealistic to expect the directors, faced with the plain demands of the law, including section 15, to have insisted on finding out from the Chief Executive Officer and senior staff alike, and, accordingly, to have determined

(1) what were their responsibilities in law; and

(2) what were sensible policies, the installation and pursuit of which ought reasonably to have led to the discharge of those responsibilities.

That finding is very blunt and very clear. Mr Clark is mentioned. The Royal Commissioner referred to my being 'dazzled' by Mr Clark. I was certainly not alone in my view or praise of Mr Clark: there were editorialists, the media and many people in business, including the bank board itself. If one reads pages 1-102, 1-103 and 1-104, one sees that throughout this period (when we are told we should have known that Mr Clark was failing in his job and that the board had no faith or confidence in him) the board was not only extending his contract but it was also providing him with increased remuneration, and some in the form of a bonus. I would have thought that on the face of it this indicated that he was performing his duties properly and adequately. Indeed, as the Auditor-General said, 'As a matter of plain commonsense and business principles it is impossible to reconcile statements by board members regarding their mounting concerns about Mr Clark's performance, a rise in key non-performing assets and a 290 per cent increase in the level of provisioning on the one hand and a bonus, however trimmer, on the other.'

We had a right to rely on two safeguards, apart from what sort of knowledge one might get from a board, which plainly was totally inadequate. One was the audit. The Auditor-General is still to report on that, and I think we should all look forward to that with a great deal of interest. We have already seen auditors under a lot of pressure; they are being sued in the case of the State

Bank of Victoria and Tricontinental and are before the courts in a number of areas, and so they should be. I will be very interested to see how the auditors could present and sign off on the reports on this bank, when their reports should have provided us (the shareholders) with some kind of indication or warning.

The other safeguard is the Reserve Bank. At all times I was led to believe, and it was said, that the State Bank of South Australia was complying with the requirements of the Reserve Bank. The Auditor-General and the Royal Commissioner have made some findings in this area, as well. The Auditor-General went into it in much greater detail and found that, while that was true, that compliance was reluctant and unwilling and that at times in fact the extent of supervision or advice from the Reserve Bank was not even being provided to the board itself, so that the monitoring, far from being adequate, was not working at all. The fact that they had some concerns was known only to some of the State Bank's most senior managers and to the Reserve Bank. Why was the Reserve Bank not getting the message through? Why was it not telling the shareholders or its own Minister, the Federal Treasurer, to pass on its concerns? That question is unanswered.

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

Mr INGERSON (Bragg): In my lifetime in business I have always known that, when people head up organisations and are involved in organisations that make mistakes, they accept some of the blame. I am just staggered that after all this time we still have the member for Ross Smith wanting to say that he is angry about what happened and that he has been betrayed. The people who have been betrayed are the people of South Australia.

The Hon. J.C. Bannon: And I'm one of them.

Mr INGERSON: Yes, I know you're one of them. The tragedy of it all is that the former Premier still thinks it was not his or his Government's fault. That is the tragedy. When we look at these excuses that are being thrown across the House today we ask ourselves why, if we invested money in the State Bank, no notice was taken when other people in the community and in this House were saying, 'I do not think your investments are too good.' We as the Opposition were not the only people in this State who were hearing what was being said; every member opposite was hearing the same thing. If they say they were not, they are not telling the truth, because the whole community was telling us on this side what was going on and I know from conversations that I have had with members opposite that early in this whole episode they were concerned. Yet, we have had the member for Ross Smith again in this House saying, 'It was not my fault; I could not possibly have asked Treasury to do it.' He could not ask Treasury?

In my little business, in which I am the principal financier, I get a report every single month, and I sit down with my manager and ask, 'Why is it that we have spent so much in this area?' Do members know how long it takes me to do that? It takes half an hour each month. For the former Premier to stand up in this place and say that he did not know and that his Treasury people could not have done it is arrant nonsense—an absolute neglect

on his part and, more important, on the part of the members of Cabinet who sat around and did nothing about it.

I can excuse Cabinet for letting the Premier take on the running of the Treasury portfolio for a short time, but I cannot excuse Cabinet for not asking the questions that I know would have been asked in the shadow Cabinet, or if we had been in Government. All of us would have been asking the person responsible, 'What is going on? What are you doing about it?' You cannot tell me, Mr Speaker, that they were not talking about that and that they did not know about it. This talk of being dazzled by Mr Marcus Clark is absolute arrant nonsense. The former Premier, the member for Ross Smith, was out dazzling everybody with his brilliance. He was not bedazzled at all; he was standing in front of him, dragging him and pushing him along, encouraging him to do everything.

What the former Premier has said about the investments and his not being able to control them is arrant nonsense, because the Treasury, through SAFA, was pushing money into the State Bank at the bottom, and they knew the State Bank was expanding into all these new entrepreneurial areas. If they did not know, they should have known and the Treasury should have known. The big message out of this whole mess that we have found ourselves in is that the Treasurer and the Government knew what was going on and did absolutely nothing about it.

My concerns this evening are about the board, the powers of the Government involved in the appointment of that board and the comments made by the Auditor-General and the Royal Commissioner. First, the Auditor-General stated:

It is for the shareholders, and in the bank's case the Governor acting on advice of the Executive Government, to determine what skills they want on the board and to appoint appropriate directors accordingly. The law does not require non-executive directors to display a level of skill and experience that they do not possess (chapter 2, page 26).

He is saying that it was the shareholder's—the Government's—responsibility to make sure that the skills of those who were on that board were up to standard. He also said:

In exercising this power the responsibility of making such appointments is a serious one.

Of course it is serious, because it was the responsibility of the Government—all the Ministers other than Bib and Bub, the two new independent Ministers—to make sure that the people who were appointed to that board were capable of doing the job. It is clear that the Auditor-General believed that that was the case. The Royal Commissioner in his second report stated:

The ultimate control and sanction in the hands of the Government is its power to determine the composition and membership of the board.

So we had both the Auditor-General and the Royal Commissioner saying that the power of the Executive Government—the Cabinet—was the principal controlling factor of who should have been and who in fact was on that board. In his first report the Royal Commissioner made a number of references to the significance of power. He said:

It is clear that the appointment of the directors of the bank, including its Chief Executive Officer as a director, is a critical power of the Government... The extent of responsibility which rested on the Government under sections 7, 8 and 9 of the Act—and they relate to the appointment of the board—cannot be underestimated. The structure, the membership and performance of the board was critical to the performance of the bank.

Again we had the Royal Commissioner clearly saying that it was the Government's responsibility to appoint the board members, and it was the Government's responsibility to make sure that they performed. So the Government cannot turn its back on the fact that it was its responsibility to make sure that the board performed. Yet right through this whole exercise we have a ducking for cover with the Government saying, 'It was Mr Marcus Clark'; 'It was all the other people involved'; 'It was not our fault'. The Government is derelict in its duty if it goes down with that argument.

In its closing submission to the royal commission the Government claimed that the Government did its best to give the bank a strong board. That is not the conclusion supported by either the Auditor-General or the Royal Commissioner. Indeed, the failure to appoint a board with sufficient experience and expertise to control a rapidly growing bank is arguably the prime example of what the Royal Commissioner meant when he found that the Government had lost sight of its statutory obligations. I am not saying that; that was the comment of the Royal Commissioner in his first report (page 392)—a far more learned person than I, and someone who spent many hours looking at this whole situation, clearly bringing the major issue of control and concern back to the Government.

The next area I would like to talk about is the composition of the board. It is interesting to note that from the appointment of the first board until June 1990 the Government made 29 appointments and reappointments to the board of the State Bank. There were plenty of opportunities for the Government, if it thought that the people who were there were not capable of doing the job, to make changes, but the reality is that it did not do that: it kept rolling over the same people, in essence, and yet it is now saying that it was their fault. You cannot have it both ways: you cannot have the glory of taking the money out of the bank in the early days and, when it goes wrong, turn around and say, 'It was not our fault, it was the directors' fault', and walk away as this Government has done. The Auditor-General made the following comments about the board:

The board of directors was out of its depth. The board of directors appointed by the Government in 1984 and largely maintained thereafter may have been adequate for the task of overseeing the merger of two safe South Australian retail banks but, as the new bank was launched on a path of extraordinary expansion, the board was left floundering. The ultimate loan approval authority, the board of directors, lacked the necessary skills and experience to perform its functions adequately.

And so it goes on. In section after section the Auditor-General clearly says that the board of directors was out of its depth. As I said earlier, I am staggered that, after pumping in money from SAFA for all these loans, the Government did not ask what these loans were all about and insist that it be given proper reports on

them. I actually believe that the Government did have proper reports, even though the Royal Commissioner did not pick them up. I am a bit cynical about this whole area and I happen to think there has been a massive cover up as well as what has come out in the royal commission. However, the Auditor-General did say:

Mr Clark was the only board member who had any previous commercial banking experience, and even that experience was limited both in scope and in time before he joined the bank.

What a fascinating statement. I remember the Premier getting up at a news conference and saying how we had this magic, new managing director who had been appointed to the State Bank and who had wide experience, was supported right around the banking industry and would be of great strength to the bank. Yet here we have the Auditor-General saying that even that experience of Mr Clark was limited both in scope and in time before he joined the bank. What a staggering situation we have some 10 years after it happened in that at last we find that the expertise which Mr Clark had and which the Premier wrote up as being so important did not really exist.

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

SUPPLY BILL (No. 1) (1993)

Returned from the Legislative Council without amendment.

STATE BANK

Debate on motion resumed.

Mr INGERSON (Bragg): As I was saying before the adjournment, the Auditor-General said that Mr Clark was the only member of the board who had had any previous commercial banking experience and even that experience was limited in scope and in time before he joined the bank. He also went on to say:

The board's lack of experience and inability to cope with the volume of information presented to them is commented upon by J.P. Morgan in its review of the bank's credit policies and procedures as follows—'Most board members are not bankers and do not have lending expertise...we believe board members are being asked to approve matters for which they may lack time and expertise.'

And so it goes on. The findings of the Auditor-General about the composition of the board are also confirmed by the two reports of the Royal Commissioner, in which he says:

...the composition of the board was initially defensible by reference to social and political criteria, but was unsatisfactory in terms of business and banking acumen and experience, especially as the size and the complexity of the bank's operations increased.

The common thread through the reports of the Auditor-General and the Royal Commissioner is that from 1985 to 1988 there was a massive increase in growth. Management plans were put down, and all those plans and growth figures were ignored by bank management,

by the board and finally by the Government. All these reports, in essence, were going through to the Treasury on a monthly basis. So, if they had gone to Treasury and if the Treasurer or the Cabinet were not aware of them, in my view it was gross negligence.

It should also be noted that at this time the Royal Commissioner had accepted that from 1988 Mr Rod Hartley, Director of State Development, who was then a member of the State Bank board, warned Mr Arnold, the Premier, as well as Mr Bannon that the board lacked strength and expertise to control Marcus Clark.

So, we have this whole web of intrigue. Not only should the incompetence of the bank board have been obvious to the Government but on the other side of that intrigue we had Mr Rod Hartley, who had a very close link as Director of State Development with the now Premier, telling him that there were difficulties at bank board level. That sort of thing has concerned me right through this whole exercise. I do not believe that the members of Cabinet sitting on the front bench in this House were not aware of what was going on: if they were, I believe that is greater incompetence, and they deserve to be garnished much more. I have to leave out Bib and Bub, the two Independents, who were not there at that time. The Royal Commissioner also said:

This attitude [of the Premier's not to agree to Treasury representation on the board] was also maintained in the face of Mr Hartley's comments at about this time both to the Treasurer and to Mr Arnold...

So, we had Treasury also saying to the Government that it needed to have more expertise on the board, yet that was dismissed as well. At this time the Government was being questioned by the Parliament. There was massive growth in the bank; SAFA was pushing money in from the bottom with Government support; and we had comments by Mr Hartley that, in essence, the bank board may not be up to standard. All the excuses that the former Premier, the now member for Ross Smith, was making in his presentation here tonight do not hold water. The reality—and I think all members on the Government side know what the reality is—is that it was a massive cover-up by the Government, by all Cabinet members and also by the Premier of the day. The tragedy is that we as constituents of this State are now looking down the barrel of a \$3.2 billion debt. The only way we can solve part of that debt will be to sell off the massive asset of the State Bank. In my view, that is a tragedy. We had a small, regional bank that was reasonably profitable. Even if it had grown and if that growth had been kept under control, we would still have had a very successful regional bank, from which the Government and consequently the taxpayers of this State would have had significant benefits. A payment of \$100 million into the State coffers every year is a pretty handy payment for any enterprise. The fact that that whole concept was lost because the Premier, his Cabinet and the board and management failed to comprehend the growth problems has been a tragedy for the State. I support the five points that have been put forward in the amendment by the Leader of the Opposition.

Mr OLSEN (Kavel): First, I commend the Auditor-General for the work that he has done in preparing this report, which has been tabled in this Parliament. It has

obviously been a very difficult task, completed under stressful sets of circumstances, but he has done himself and his office proud in the way in which he has, in a thorough, methodical, efficient and professional way, prepared the report, which has been tabled in this Parliament. The motion proposes that the report be noted and, as the Opposition has indicated, it seeks to amend the Government's motion to pick up a number of key points—our concern about the rapid and uncontrolled growth of the State Bank; the Government's failure to appoint a board to control that rapidly growing bank; the Government's influence, which prevented the board from exercising effective control over the Chief Executive Officer, Mr Marcus Clark; and the fact that the Chief Executive Officer overwhelmingly bears the responsibility for the bank's losses—and condemns the Government for its continuing refusal to be held accountable for the \$3.150 billion of taxpayers' money by the State Bank Group.

We see the Government attempting, to this very day, to remove itself from responsibility, but it cannot do that, because the Government is culpable in this matter. The Government supported the appointment of Mr Tim Marcus Clark as the Chief Executive Officer of the bank despite reservations to the contrary being expressed to the Government by the banking industry. Those warnings were ignored by the Government. Indeed, if it took those warnings on board, in subsequent years it did not check the performance of Mr Tim Marcus Clark. To that extent, the Premier, the Government and the Ministers are culpable and responsible in this matter.

In addition, the Government is culpable to the point that it maintains support for Mr Marcus Clark, despite mounting evidence of his incompetence and of concern being expressed widely in the business community as to the direction, the rapid growth, the lack of control and the over-enthusiastic approach by Mr Tim Marcus Clark regarding the direction the bank was taking. In addition, the Government is culpable to the extent that it ignored warnings from directors, Treasury and personal assistants. Despite the fact that we in this Parliament over two years asked some 200 questions, the Government ignored all those warnings because it was not politically expedient to take them on board at that time—a pre-election year.

The reports of the Auditor-General and the Royal Commissioner have clearly identified one personal trait of the member for Ross Smith, the former Premier, that is, 'If you've got a problem, close the door and wait for the problem to go away.' He was never one to stare the problem in the face, work out the options and make a decision. He always was one who thought, 'If you have a difficulty, let the difficulty solve itself by ignoring the reality of it.' The sad thing for South Australians is that that personality trait of the Premier is costing us billions of dollars; it has cost and will continue to cost the taxpayers of South Australia in future generations an enormous level of funds in the form of taxes to underwrite that debt.

Sure, one would not have expected the then Premier and Treasurer to have been able to avoid some of the losses but, had action been taken when the first warnings were given in this Parliament, had at least checks been made in the system rather than the arrogant approach of

Government that we know best, we might have been able to limit some of those damages. There was not honesty, accountability and a forthright approach by Government; there certainly was not honesty and accountability as it relates to the Westminster system of Government. On 1 April I asked a question in this Parliament, and it was directed to the member for Ross Smith, and I want to repeat that question, as follows:

At any time before the first announcement of the massive State Bank losses in February 1991, did any Minister express concern to him about the bank's rapid growth, its lending to Equiticorp, the National Safety Council, Hookers and other bad loans, the performance of Mr Marcus Clark or other issues which were the subject of persistent questioning in this House?

We did not get an answer to that question because of Standing Orders, but the member for Ross Smith went on to say that he would respond in the grievance debate. However, when the grievance debate came about and the member for Ross Smith had five minutes in which to explain that position, to respond to that specific question, he did a typical John Bannon: he fudged, he ignored, he spoke about everything else but the question that had been specifically asked. The member for Ross Smith said today, 'Go back and have a look at the record; have a look at my reply in the grievance debate. I did respond.' I invite every member of the House to read *Hansard* of 1 April last (coincidentally April Fools' Day), and they will notice that he did not again respond to the specific question that had been put to him in this House. He made an art form of that while he was Premier of this State—an art form to the point where, under the guise of commercial confidentiality, under the guise of not being prepared to be honest, open, forthright and frank with this Parliament because of political expediency, Mr Tim Marcus Clark was able to get away with his over-enthusiastic approach to the growth of the State Bank of South Australia, much to the detriment of South Australians now and in the future.

In relation to Mr Marcus Clark, I want to quote a number of extracts from the Auditor-General's report, as follows:

I have repeatedly found that Mr Clark failed to adequately or properly supervise, direct and control the operations, affairs and transactions of the bank and that he failed to provide the board with information that was timely, reliable and adequate.

We well know that the remuneration package put in place by Mr Clark as a member of the board and for his senior management was more like that for an insurance salesman than a banker; it was based on performance, false performance, where excessive salaries were paid both to Mr Marcus Clark and to senior management of the bank that were not consistent and commensurate with the true performance of the bank. We need only to note that Mr Marcus Clark had made it a condition of his appointment as Chief Executive that he also be appointed to the board. That was a direct responsibility of the Government, the Premier and the ministry.

There can be only two reasons why the Premier did not want to answer that question in Parliament, and both of them are damning—damning of this ministry and of this Government. If a Minister raises with the Premier in Cabinet the concerns being expressed in the business community and in this Parliament and does not get satisfactory answers—and they were prepared to come

down to this Parliament and sit and listen to the answers that the Premier gave to the Parliament, which were misleading, fudged the issue, were not accurate or not totally honest (and, in my view, if you are not totally honest and frank with an answer, it is tantamount to telling a lie to the Parliament) and did not raise the questions, either in Caucus or Cabinet, with the Premier—that Minister is ignorant and incompetent. So, there is a choice for this ministry: in this whole issue since 1989, they were either ignorant or incompetent.

The Hon. D.C. Wotton: But they're damned either way.

Mr OLSEN: They are damned either way, and the reason they do not want to answer the question is that they do not want to admit, and that is why the Premier, in his grievance debate in reply to my question of 1 April, decided to ignore the question itself, as we had become so accustomed over the period that he was Premier of South Australia. We have heard about commercial confidentiality as it relates to Torrens Island power station leasing and to a number of other projects, commitments and agreements entered into by this Government; this Parliament was not given a true and accurate reflection of those agreements. In line with that, we have to note only that Mr Prowse recommended that the remuneration package of Mr Clark and officers ought to be exposed to the public, but Mr Bannon rejected that advice from Treasury and Mr Prowse, and it is in a minute dated 5 July 1988 recording the decision of Mr Bannon; he rejected that advice, because Mr Bannon took the view that disclosure 'would create more problems than it would solve'.

Particularly, he would be concerned with the implications for the salary structure of the other public sector financial entities and, indeed, the public sector more generally. It might also lead to awkward questions about the bank's own salary structure. That was from a minute of Mr Bert Prowse of 5 July 1988 recording a discussion with and a decision of the Premier. It clearly identifies that the former Premier of South Australia was concerned with damage control and political expediency to the extent that major problems confronting the Government have been ignored.

As I said, it comes back to a personality trait of the former Premier that we saw on many occasions: 'If you've got a problem, close the door and wait for the problem to go away.' We all know from our own business affairs that, in many instances, we cannot ignore the reality of a problem: if there is a problem, it must be confronted and dealt with. If we do not do it, it gets bigger; it becomes insurmountable. That is exactly what South Australians are facing now with the State Bank debt—an insurmountable problem. Because of political expediency, in 1989 the then Premier (the member for Ross Smith) was not prepared to front reality, to tackle the problem and to take decisive action. Even the Premier's own executive assistant, Mr Anderson, on 31 January 1991 expressed regret that 'they (those in Government empowered to act in the matter) hadn't got rid of Clark and realised some of the problems which Clark had caused'. He was expressing regret that they had not taken action. This is in January 1991.

That was the result of advice and concern being expressed by Mr Rod Hartley to the now Premier. He

had some responsibility in this matter not only to refer it to the Premier but to follow it through. Every Minister had a responsibility to follow that matter through, but, blinded by the enthusiasm of Mr Clark, they were not prepared to do so. They were certainly not prepared in an election year to take up the issue as it ought to have been taken up, as ministerial accountability and responsibility under the Westminster system required them to take it up. I should like to quote several other extracts from the Auditor-General's report. He said:

I am satisfied that the board—and certainly the Chairman, Mr Simmons, as well as the Deputy Chairman, Mr Bakewell—took account of the opinion of the Treasurer expressed in relation to Mr Clark; interpreted those opinions as expressions of support for Mr Clark's management and the need for its continuance; and charted or modified their course accordingly, even to the extent of reversing an earlier decision regarding the need for the dismissal of Mr Clark.

The board knew he had to go but, because of the blind support of the Premier for Mr Clark, the board reversed a decision that the man had to be dismissed. I repeat, whilst it might not have stopped the massive debt, it might have contained the level of the debt. The inaction enabled the problem to compound day by day, week by week, month by month.

When we were asking questions about investments in Equiticorp, the National Safety Council and a range of other measures, the Government was saying that we were using this merely as a political exercise to try to damage the Government. Nobody, in a thorough, methodical manner, as is a Minister's responsibility, sought to check out a question. If a question is posed in this Parliament, under the Westminster system there is a responsibility on Ministers to whom a question is directed to check the facts of the matter to make sure that their answers to this Parliament are factual and accurate. What we got was not that discharge of accountability and responsibility but further fudging, further stalling and further marking time with the election date of November 1989 uppermost in their minds.

I could go on quoting from the report in many areas. For example:

By the end of August 1990, Messrs Searcy, Bakewell, Hartley and Simmons were all of the opinion that Mr Clark should leave the bank—why Mr Bannon retained such confidence in Mr Clark in the face of all the evidence that was now available is also a mystery.

That was at page 360 of the Royal Commissioner's first report. There was overwhelming evidence that people who had been given the responsibility to look after the interests of the bank were recording their concerns, but the Government and the then Premier ignored those warnings from their own staff, from business and community leaders and from the board. The Government cannot now just duck for cover, shift the blame, and put it all on Marcus Clark or the board, because, under the Westminster system, the buck stops along that front bench.

The Premier at that time, the member for Ross Smith, had a responsibility and he has resigned, but it took him a long time to get to it. He should have resigned on the day that the announcement was made about the bail-out. That was the day on which he should have accepted responsibility and resigned, not try to hang on by the

fingerails for as long as he could hoping that the problem would go away, as was his wont on many occasions. It did not go away, so he went and said, 'I take all the blame with me.' But he cannot do that when he has sat in Parliament for over two years with over 200 questions to the ministry. Where was the rest of the ministry discharging their responsibilities to this Parliament and the people of South Australia? Where was the now Premier who had been specifically warned by the Director of his department, a member of the board, as to the actions of Mr Tim Marcus Clark? One cannot walk away when one has been warned; one cannot wash one's hands after the event. Yet that is what this Government is attempting to do.

I have no doubt, as the polls are reflecting at the moment, that come the next election the taxpayers and voters of South Australia will pass judgment on this Government judgment that it has completely walked away from its basic and fundamental responsibilities. It will mean that Government members will go out to the extent and numbers that they will not get back into Government for some time. It is all their own work, all their own responsibility, all their own lack of accepting the responsibility upon which they took oaths as Ministers of the Crown of South Australia. All I can say is, 'Hasten the day.'

Mr QUIRKE (Playford): The Auditor-General is to be commended for the work that has been done in this first of, I understand, three volumes that will surface at some stage during this year. I use the word 'surface' because in many respects it is somewhat sad that this first volume took as long as it did. It was a very intricate job, a job extremely well done, but, as we now know, a job that was frustrated by unnecessary legal measures which, in my view, were deliberately used to frustrate that process. I hope that the next two volumes are not that far away. It is now 2 1/4 years since the first bail-out took place. It is my belief that, if the trail is warm for anyone to track down people who have made decisions which are culpable by law, then we need to get onto that trail before it freezes over.

Some of the comments that have been made tonight have indicated a general consensus among the members that at least the first volume of the Auditor-General's report is an extremely scholarly effort. Whilst it took a long time to come out, it has certainly cast a great deal of light on a whole range of issues to which I shall come later. Before doing so, I think it is appropriate to comment on the debate so far.

We have had two previous debates of considerable note on the State Bank. The first debate went on for seven or eight hours and that concerned volume 1 of the Jacobs Royal Commission. The next debate, into volume 2, was much shorter. I participated in that debate, as did other members, but it was much shorter and more succinct. This debate in many respects is curious, because at least from Opposition members there is not the fire, there are not the new points being made that were made in previous debates, and in many respects most speakers today have been particularly hesitant in this regard.

Members interjecting:

Mr QUIRKE: We have not yet heard from the member for Coles, and she always puts in a good performance. No doubt tonight she will tell us that she told us so. I do not know whether she will tell us that she told her Leader so, but I understand that there was a great deal of friction between those two over the State Bank in the same years as the former Leader was telling us tonight he was completely on side with the questions that the member for Coles and others were asking about the State Bank.

I think at the end of the day very few original points will come out in this debate tonight, because most of the Opposition's arguments are tired. All they want to say is that the Government is responsible; whichever way it goes, the Government is responsible. They do not want to say that they wanted the board and the bank when it was created kept at arm's length. They do not want those issues brought up; they have a selective memory about them. It really is a rich little chestnut when we get the member for Bragg giving us a lecture on the joys of public ownership. I think that was one of the best speeches I have heard on public ownership.

I am surprised it has taken so long for them to discover some of the joys of public ownership. Mr Speaker, I will make a prediction: we will not hear it from that side again because that was a lapse, unfortunately. There were no other debating points to fill in the time so we got this joy on public ownership.

I think the Auditor-General's report actually deserves a better debate than it has received. I think in many respects the member for Kavel, whilst very eloquent on a number of the points he has raised, has not raised anything new in this debate. In fact, I think it is hardly surprising the Opposition is saying, 'We told you so. We told you so over 200 questions.' As I said in my last contribution on this issue, many of their constituents, many of the people who formed policy, people in their branches, were the beneficiaries of many of the loans that were made by the State Bank and Beneficial Finance. So naturally they would have a lot of knowledge of what was going on. They may not have had the whole picture but a number of their branch members, no doubt a large number of their mates, had some of these loans and could not believe their luck and told some of the people in here. I gather that is why some of the questions came forward.

I think a couple of other points need to be made in respect of this matter. In his report the Auditor-General has exposed some interesting points, in particular relationships of the executive staff within the bank. There are a number of puzzles. One of those puzzles is why, when the bank theoretically was supposed to be going well, the executives in there did not pick up any problems, because they had much more information than anyone else as to the way things were happening. Why did the executive in charge of these loan portfolios, for instance, not pick up a lot of the major problems that we now know so much about? We can say why now in hindsight. Opposition members say they had foresight, but the reality is that everyone is now claiming that they were blowing the whistle at the time.

Within the bank itself the executive staff was curiously silent. In fact, one of the reasons for that was where the bank positioned itself within the market in Australia. The

bank had this inflated idea of its own performance. It had this inflated idea of where the bank itself could go and the part and the role that it could play. When many accounts, which had already been picked over and rejected by the other major banks, turned up to the State Bank they were accepted. A lot of them were accepted, as we now know, without the necessary routine checks. We now know that the National Safety Council and a number of those other large borrowers approached the State Bank and applied for loans and, indeed, the loans were processed in an inordinate fashion. Why did the executives not blow the whistle on some of this stuff? How much did the executives know? The answer, as you delve through the two and a half thousand pages of the Auditor-General's report (an excellent document), is that he makes out a case that there was a culture up there, and that culture was one of silence within the bank; of keeping everything quiet. Indeed, the key element in that was the salary structure that the bank was paying.

In the Marcus Clark era the bank was paying more money to its executives when 75 per cent of all banks in Australia were paying less. At that time they were paying salaries in the bank that were equivalent to the top banks anywhere in Australia and indeed in some instances anywhere else in the world. They had an unrealistic appreciation of their position within the market. Mr Marcus Clark, of course, encouraged large pay rises for his executives as well as for himself from the years 1984 through to 1991. Those pay rises, in some instances, were as much as or even more than 100 per cent. In many of the instances it involved concessional loans; it involved all sorts of other properties; it involved a whole range of things which tied those executives to the State Bank. In many instances the bonus system, which we were told in the report involved \$1.2 million worth of bonuses, was basically the cash flow that many of these men lived on. As a consequence of that, Mr Marcus Clark bought the silence of the executives.

The other thing which is interesting in this report is that a large number of recruits for the executive staff of the bank, and the Auditor-General I think clearly refers to this in his report, not only were poorly qualified but were not qualified at all. They were selected from areas of endeavour that had nothing whatsoever to do with banking. We had an example where one executive was a botanist. He may indeed have been a very good botanist but I understand he was not such a good banker and neither were a number of others who had been appointed from all sorts of commercial fields that in reality had very little to do with banking.

The bonus system and the pay system ensured silence, including silence of the executive staff. What about the board? We have heard that one board member made a number of comments about things not going all that well. I do not want to get into an argument about that but there was a curious silence among some of the rest of them too. One of the reasons for that, of course, was that they, too, were bamboozled by Marcus Clark and in many instances were put on numerous other boards. We find instances of people earning not the usual board fee at the State Bank but as much as six—and I think the record was seven and a half—times the original board fee, which again ensured that the empire was relatively

safe. Safe until that ultimate moment when the bank was facing collapse. I think a number of speakers have talked about the capabilities of some of those directors but certainly that ensured silence among those who did have some capabilities in that area.

What we had in the State Bank was an entity that was moving along in its own way, addicted to a cult of secrecy, and I use those words 'a cult of secrecy' advisedly. They cloaked many of the things with the words 'in confidence'. I still receive some considerable mail from the State Bank, and I am amazed: everything is stamped 'Private and confidential'. This applies even to public documents, which they know will be tabled, and to correspondence which they know is for everybody. The Marcus Clark era in the bank is indeed a time when the bank turned in on itself. It went out there with an aggressive lending campaign and set up operations in other States of Australia and around the globe which they had no chance or were never going to be capable of administering. They picked up accounts and they picked up what was left over by the other principal banks.

I think the important thing for us tonight is not to get up and repeatedly say, 'I told you so.' I do not know how many speeches on this issue will be made by the Opposition, but so far every speech has been on the grounds, 'We all told you so.' We have been told that the member for Ross Smith did not do the right thing; that in fact his job as Premier, where this matter was concerned, was to take a much more aggressive approach to the bank, and we have heard this from the very same people who at the time ensured in the legislation that he could not fulfil that role. In many respects, much of what has happened in relation to the reconstruction of the bank has been done not because the banking Act empowers the Government to bring about those changes but because of the terms of the indemnity itself.

Let me turn to another issue and look at the composition of the board. We have been told by a couple of Opposition speakers, particularly the member for Bragg, that these people were not up to it and that they should have been removed years ago, that they should never have gone onto the State Bank board but a whole range of other people could have been selected for that board who somehow or other would have controlled Mr Marcus Clark. It is very interesting to say that years later. I wonder what would have happened if, in the mid 1980s, the State Bank board had been sacked, if the Government had the power to do so. I wonder what would have happened if some of those people who were on the board of the Savings Bank of South Australia, put there in large part by the Tonkin Government, had not been appointed to the State Bank board.

I tell you quite frankly, Mr Speaker, I suspect that members opposite would have chorused against it. They would have said that this was terrible and should never have happened, that these people were competent and should have gone onto the new State Bank board. If anyone had been sacked from the State Bank board before the events of 1991, I am sure that we would have had a chorus from the Opposition, 'This is unfair. These people have served South Australia well. Why are you doing this?'

The reality is that the State Bank situation has been an unmitigated disaster for South Australia. We have spent a great deal of money researching what went wrong, and we will spend a great deal more money. It is appropriate to say that the lawyers for the State Bank directors and for Mr Marcus Clark have made sure that no stone will remain unturned for any kind of legal challenge that they can mount. The bill has gone into millions of dollars at this stage, and I suspect that much of the legal activity of the past six or eight months, since the Supreme Court decision of last year, has been motivated not by natural justice for the directors or Mr Marcus Clark but by the profit incentive for the legal firm concerned.

I understand that representatives of that legal firm came down here last year and lobbied a number of members of Parliament to try to ensure that the amendment which was going through this Parliament at that time was unsuccessful, because it would have cut off some of the legal work that that company was enjoying. I also understand that, in terms of payment to these people, their rates are far in excess of those paid to the other lawyers who represented the various participants at both the royal commission and the Auditor-General's inquiry.

I will finish by making a couple of comments about what I hope will be the progress over the next month or two in bringing down the other two reports. Unlike members opposite, I look forward to seeing where we are going with these things. It is appropriate that the South Australian community gets those other reports from the Auditor-General as quickly as possible. As I understand it, the next report concerns Beneficial Finance. That constituted one third of the losses of the State Bank Group. If ever there was any fraud, I suspect it was in that area. I hope that report comes down so it can be thoroughly examined.

I also believe that the auditors have to take at least some responsibility for what happened in this whole exercise. Where were they? Why did they not carry out their duties for which they were paid high fees? I believe that will be covered in the Auditor-General's third report. It will be very interesting to hear what the Opposition has to say if and when we debate those other two reports. I am sure it will be the same old story: we told you so the whole way through. Somehow or other it will always end up as the Government's fault, regardless of whatever level of fraud occurred in the State Bank Group. At the end of the day, the Opposition has treated this as a political question. It has treated this as a crucifixion of the member for Ross Smith. Members opposite are not interested in tracing down the realities of what happened.

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

The Hon. JENNIFER CASHMORE (Coles): In supporting the amendment to the motion which the Leader of the Opposition has moved, first, I wish to commend the Auditor-General for his painstaking and diligent analysis of the questions put before him. There are 12 volumes of highly detailed work presented in a very clear form. I cannot say that I have read them all, but I have certainly read volume 1 which sets out the conclusions of the Auditor-General, what went wrong

and why, an overview of the whole situation, and the Auditor-General's recommendations. Anyone who has read even that one volume alone and who has read, as I have, the two reports of the Royal Commissioner, would be bound to support the Leader of the Opposition's amendment to this motion.

The amendment is critically important because it is what South Australians are seeking from this Parliament by way of a recognition that the money and time spent on an analysis of this catastrophe has been well and truly understood not just by the Opposition but by the Parliament as a whole, which includes you, Mr Speaker, and that all members will act upon it. To refresh the memory of members, in part the amendment states:

and endorses the findings of the Auditor-General, and the Royal Commissioner, that rapid uncontrolled growth of business was the main cause of the failure of the State Bank.

I do not believe that any member in this House could oppose that proposition. I certainly could not because, when I refer back to the *Hansard* of 13 April 1989, I see a whole succession in terms of analyses of the bank's position at that time, of statements warning the Government, of statements of fact identifying the high risk policy that the bank was pursuing, and of repeated warnings that the Government was liable, through the State Bank Act, for a guarantee amounting to \$9.4 billion.

Repeatedly in that speech of 13 April 1989, in response to a motion from the member for Briggs condemning me for questioning the State Bank, I referred to the questions that were geared to the Government's accountability, to the fact that the Government was guarantor for the State Bank, not only for its deposits but also for its borrowings both interstate and internationally. In that speech, I went on to say that the fact that the Government guarantee of depositors' accounts and amounts borrowed and lent amounted to \$9.4 billion suggested that the Treasurer might just have some notion as to whether the bank should have any boundaries placed on it in its effort to write business.

Much of that speech, as I look back on it, is reflected in the reports of both the Auditor-General and the Royal Commissioner. In a subsequent speech on 6 September 1989, following the tabling in Parliament of the annual report of the State Bank, I stressed the following:

The bank's rapidly increasing very large borrowing and lending operations insofar as they are undertaken offshore and not directed to the development of the State or the needs of its corporate and private clients, the very essence of what the bank is doing is risk taking for profit.

I do not intend to continue to quote from both of those speeches, but if any member in this House can say 'I told you so'—and I have not said it thus far—I believe I can with some credibility say, 'I told you so', and the record proves it. The second part of the Leader's amendment states:

endorses the findings of the Auditor-General, and the Royal Commissioner, that the Government failed to appoint a board able to control a rapidly growing bank.

When they spoke, both the Premier and the Treasurer defended the Government and said that its responsibility was of no great consideration but that the management of the bank and the board of the bank were responsible. Yet, the Auditor-General himself states on page 35 of

volume 2 of his report that it is for the shareholders (in the bank's case, the Governor acting on the advice of the executive Government) to determine what skills they want on the board and to appoint appropriate directors accordingly. On the same page of volume 2—page 35—the Auditor-General states that the responsibility of making such appointments is a serious one.

In his first report, on pages 37 and 38, the Royal Commissioner states:

It is clear that the appointment of the directors of the bank, including its CEO as a director, is a critical power of the Government.

He goes on to say:

The structure, membership and performance of the board was critical to the performance of the board.

Quite obviously, the Government had that responsibility and it failed to fulfil it effectively. The amendment moved by the Leader goes on to state:

endorses the findings of the Auditor-General, and the Royal Commissioner, that Government influence prevented the board exercising effective control over the former Chief Executive Officer, Mr Marcus Clark.

Repeatedly throughout the Auditor-General's report and indeed the Royal Commissioner's report these points have been made. For example, on page 1-47 of volume 1 of his report, the Auditor-General states:

The single most important reason for the losses of the bank was the poor quality of its corporate lending decisions. Put simply, the bank made too many loans that it should never have made.

Parliament was telling the Premier that as early as February and April 1989. The Auditor-General goes on to state:

My investigation... has led me to the conclusion that the bank's corporate lending business was poorly managed in almost every respect: its policies were inadequate, the approval processes were inappropriate and poorly defined, lending decisions were made on the basis of inadequate and incomplete information, and once a loan had been made it was not adequately monitored.

Further, he states:

...the bank's corporate lending displayed the characteristics of being driven by the need to do the deal.

That is exactly what I had said by way of warning to the then Premier in April 1989 and then subsequently in September of that year, namely, that writing business and profit was taking precedence over prudential decisions which should have been made at all stages with the Government's guarantee at the forefront of the Government and the bank's mind. The Auditor-General goes on to state:

The application of sound policies and procedures was sacrificed to the desire to write new business.

Over the page, the Auditor-General states:

I am satisfied that the former non-executive directors' lack of experience in relation to lending impeded them in the discharge of their responsibility to exercise the necessary degree of judgment in approving loans.

Further, on the next page, he states:

The bank's credit management policies and processes were, through most of the period subject to my investigation, inadequate.

Later on pages 1-50 and 1-51 (which no doubt members have read), the condemnation continues:

...in my opinion the bank's lending practices were sadly deficient, even judged by the standards of the day. The bank's corporate loan portfolio grew more rapidly than those of most other banks in Australia...

Again, the Government was warned in the speeches of April and September 1989; all these matters were raised, the voice was clear, the facts were there and the situation was abundantly clear from the annual report of that year. The Premier had access to those facts just as readily as I did, yet he chose to ignore them.

Page 1-51 of the Auditor-General's report is particularly damning in respect of the board of directors. He states that it lacked the necessary experience to properly fulfil its obligations in approving loans, and did not effectively delegate or discharge its statutory powers in relation to lending. He goes on to state:

The bank's board of directors failed to adequately or properly supervise the bank's lending activities.

It is a litany of condemnation, but it is not new; much of it was contained in speeches made in this Chamber in 1989, and that is why when the member for Playford says he does not wish to hear the Opposition say, 'I told you so,' we say to the member for Playford, 'Why didn't you listen when we told you so?' It was as clear a message as an Opposition has ever given a Parliament or the people.

Again, to return to the amendment, it concludes as follows:

accordingly rejects the assertion of the honourable Premier in the House of Assembly on 9 March 1993 that the bank's former board, and its former Chief Executive Officer 'overwhelmingly bear the responsibility for the bank's losses' and condemns the Government for its continuing refusal to be held accountable for the \$3 150 million of taxpayers' money lost by the State Bank Group.

In concluding, because members on this side have agreed to shorten their speeches in order that the maximum number may speak, I say that this amendment is an important way in which the Parliament can say to the people, 'We have not wasted these investigations; we have not squandered the millions of dollars that have been spent on them; we do understand what the Royal Commissioner and the Auditor-General are saying to the Parliament; we have taken it on board and we accept it.'

If the Government opposes this amendment, the people are entitled to believe that the Government of the day has dismissed these major reports, has dismissed more than two years of massive work by two very able people—the Royal Commissioner and the Auditor-General—and the scores of staff who have been assisting them, and has ignored their findings. Unless the House votes for the amendment, the people can say that the royal commission and the Auditor-General's report were simply a waste of time. In effect, that will be the consequence and the reaction if the House does not support this amendment.

I conclude by referring briefly to the contribution of the member for Ross Smith who started to get quite hostile in questioning and attributing blame to the auditors of the State Bank. To those querulous statements I simply say, 'Why did the then Premier not do what he had the power to do under the State Bank Act and what members on this side were urging him to do, namely, ask the Auditor-General to investigate the matters there and then?' He had the power to do it, he failed to do it

and, because he failed to do it, he must be held accountable for his failure. I urge the House to reject the motion and support the amendment.

Mr HOLLOWAY (Mitchell): I certainly will reject the amendment that has been moved by the Leader of the Opposition and will support the original motion. One of the reasons why I will reject the amendment is that it states, in part:

endorses the findings of the Auditor-General, and the Royal Commissioner, that Government influence prevented the board exercising effective control over the former Chief Executive Officer, Mr Marcus Clark.

That part of the amendment, put forward by the Leader of the Opposition, is a fabrication. It is a distortion and a lie. Nowhere in the 12 volumes of the report presented by the Auditor-General is it in any way claimed that Government influence prevented the board from exercising effective control over the former Chief Executive Officer, Mr Marcus Clark. I challenge any member of the Opposition to provide that evidence, and they cannot. For that reason alone I will be rejecting the amendment.

What we have heard so far are speeches from the 22 foundation members of the State Bank history re-invention society. To members opposite, as time goes on and as bank events recede more and more into the past, the visions of what happened are apparently becoming clearer and clearer. Hindsight is a wonderful thing for these people. I believe that the report of the Auditor-General is a worthwhile document. In my opinion, it is much more informative than the Royal Commission reports; indeed, I think it is far better value for the taxpayers' dollars that have gone into the reports than the royal commission reports, but that is my own judgment.

I like the report of the Auditor-General because it at least partly answers questions about where the money went. I believe that case studies are a valuable lesson for us all about the problems in modern banking. I expect that, when the second report of the Auditor-General comes down later this year, it will be even more informative, because it will look at the activities of Beneficial Finance, which was even more removed from the bank board and Treasury than the State Bank itself. It was the entity under which a lot of the off balance sheet companies we have heard about resided.

We know from the history of banking that the finance companies have caused many of the problems in Australian banking—not just the recent problems that have pervaded Australian banking but also the past problems. It was the Finance Corporation of Australia that brought down the Bank of Adelaide; it was Tricontinental that played a great role in the demise of the State Bank of Victoria; and it was the activities of some of the merchant banking arms that caused problems for the larger private banks such as Westpac and ANZ. I believe that that report will be a valuable one, and I look forward to it.

The report of the Auditor-General is an exercise in history. Even the most recent events in that report happened over two years ago. The most important aspect to note in this debate or any debate about the State Bank is that the lessons from the State Bank failure have

already been learnt. In his second report, the Royal Commissioner, for example, regarding recommendations for changes to legislation, noted that many of the changes had been put into effect; indeed, the Royal Commissioner made few recommendations for legislative change. It is also of note that later this week we will be debating the Public Corporations Bill, which extends the lessons of the State Bank failure to all our public corporations. The passage of that Bill is something I welcome.

While members opposite have been great ones for telling us that they raised a few questions about various bad loans within the State Bank, what is notable about the State Opposition's record is that it never once, in all the years, suggested any improvements that should have been made to the bank's Act, the operations of the bank, the legislation and so on.

The Hon. Jennifer Cashmore interjecting:

The ACTING SPEAKER: Order!

Mr HOLLOWAY: I hope that that interjection is recorded in *Hansard*, because it is worth perusal. The reason why the Government has been able to make changes to the bank is the indemnity; because the money was put into the bank to make up the losses, the Government was able to use the powers of that indemnity to have some influence over the activities of the bank.

I now turn to the tale of gross negligence by the bank management and the directors, which is referred to in the report of the Auditor-General. I will read the principal findings, as I see them, that sum up where things went wrong in terms of the directors and the Managing Director of the bank. The Auditor-General points to the fact that the bank grew too quickly. He then goes on:

I agree. There is an analogy which, I think, assists in understanding what that involved. There are chemicals which kill trees by forcing them to grow. They contain a growth hormone that stimulates and forces even a mature tree to produce new leaves and branches, expanding its canopy. For a while, the tree seems to thrive. But its growth is uncontrolled and wildly excessive, outstripping the ability of the tree to support and sustain itself. The tree's systems cannot keep up. The new growth withers, and the tree dies.

The bank's inaugural Chief Executive Officer, Mr Clark, was the bank's growth hormone. The board of directors did not impose constraints or control on the growth he stimulated and drove. Many of the bank's senior managers weren't up to the task—they lacked the judgment, experience in banking skills that together comprise competence. The bank's growth was almost universally lauded and applauded, but its appearance of vigour and health was illusory. Now the leaves have turned.

Most of the new growth took the form of corporate loans. The bank failed mainly because too many of those loans were bad: loans that it should never have made. Growth that should not have occurred.

It is a great pity that no report similar to the Auditor-General's report will ever be presented on the private banking system, particularly banks such as Westpac and the ANZ, which also lost a great deal of money during the 1980s. Of all the debates on the banking system that we have had in this Parliament over the past two or three years, rarely has the economic system that prevailed during the 1980s been put in perspective. I think that is one criticism that can legitimately be made of the reports of the

Auditor-General and the Royal Commissioner—not that that is their fault but their very terms of reference meant that they were looking entirely at the State Bank, not at the banking environment, the financial institution environment, that existed throughout this country at that time. It is a great pity that no similar reports will be made on those private banks—indeed, not just in this country, because it was the international financial system that failed during the 1980s.

In the United States, for example, the savings and loans lost close to \$1 trillion. The banks in the United Kingdom and Japan have lost massive amounts of money—and those losses are similarly based. Most of those loan losses were based on commercial property. To try to draw the inference that somehow or other the demise of the State Bank in this State can be isolated, quarantined from those massive losses that have occurred in the banking system through the world, is stretching credibility.

The consequence of the deregulation of the financial system needs to be considered. With deregulation of the banks, money was poured awash into an imprudent private sector. For every single dollar of the \$3.15 billion that has gone missing from the State Bank, a corresponding dollar has been lost in the private sector, because all the loans which have been made in the State Bank and which have gone sour have been to the private sector. I think that that was the problem in the 1980s.

I do not oppose the deregulation of banks, but where I think that deregulation went wrong was that it was poured into a vacuum. There was totally ineffective control in the corporate sector. A lot of money was poured into that sector for the benefit of corporate cowboys—into a corporate system which was improperly regulated and which lacked corporate control. I believe that in some cases losses, in the environment of the 1980s, would have occurred regardless of any prudence shown by the bank. Indeed, there is always a certain proportion of bad losses on the books of the bank at any stage, even in the best of times.

What happened was that, because of the inadequacies of the companies law and the absence of controls in relation to the responsibilities of directors, we have this problem today. Incidentally, those controls have always been opposed by members of the Opposition, particularly federally; they have always opposed any controls in the corporate sector which would make directors more accountable, and we must remember it was the directors of private sector corporations, particularly the developers, who borrowed money from the State Bank and actually lost it.

Indeed, the problems that all the banks have faced have resulted from the inadequate controls in that corporate sector. Fortunately, they have been tightened up considerably in the past few years. While I believe that that was a large part of the problem faced by the State Bank, nevertheless the negligence in some cases was breathtaking. I believe we should all be extremely angry about it.

One of the best cases to illustrate that is the Oceanic group, which is referred to in chapter 17 of the Auditor-General's report. That group lost the bank more than \$83 million. Oceanic Capital Corporation was an insurance and funds management group which was acquired by the

bank in March 1988 for \$59 million. That date is important, because only five months before—in October 1987—we had experienced the stock market crash, the greatest share market collapse in our history, and that market collapse continued hitting its bottom in February 1988. So, when the Oceanic group was purchased in March 1988, it was at a time when the maximum caution should have been exercised by the bank.

The Auditor-General cites other reasons why caution should have been exercised. The Oceanic Capital Corporation was wholly owned by a company called APA Holdings, which was part of the Unity Corporation Group of a New South Wales entrepreneur, Gary Carter, who was well known to be under financial pressure and who was at that time having a long running clash with the National Companies and Securities Commission. There had been much adverse publicity about his company. Indeed, the Oceanic group had been formed only on 31 August 1987, just seven weeks before the share market crash. Obviously, in the purchase of this entity, there was a strong case before purchase for due diligence. Nevertheless, on 31 March the State Bank bought all the shareholding in Oceanic from APA Holdings for \$59 million with only a partial due diligence being undertaken.

The Auditor-General has pointed out that it was illogical and unwise to buy an investment as a going concern where the investment comprised such a high proportion of intangible assets on any evaluation basis other than one related to earnings. Nevertheless, this is what the State Bank did. The bank officers based their recommendation on figures which were in a report by the merchant bank, CIBC Australia. However, that report had been prepared at Oceanic's formation in August 1987, but some short time later a report from the consulting actuaries, Mercer Campbell Cook and Knight, on 6 April, stated that Oceanic's forecast could no longer be justified following the market crash. Mercer's forecast was that the fund management company would make an operating loss of about \$1.2 million a year for the subsequent three years. It was said that it was difficult to assign any substantial value to the company.

The board made its decision to purchase Oceanic without knowledge of the Mercer report. Only after the decision was made was a further investigation requested from KPMG Peat Marwick. That report concluded:

We have now gathered more than enough evidence to indicate what you were being advised by Oceanic as being in order or under control or provided for is not in fact the case.

The question is: why, if these reports could in a relatively short time discover such information, could the State Bank officers and the board not have waited a few days or weeks for at least a preliminary due diligence?

I believe that is a classic case of the gross negligence of the board and of the officers of the bank. It was a decision that was entirely theirs and it really does beg the question as to how such a large figure could be passed over without a proper analysis being done. I would think that most members of my electorate who have gone to the State Bank to borrow a housing loan would have gone through a greater degree of scrutiny than was conducted for this very unwise \$83 million purchase. That is a classic illustration of the deficiency of the board and the management of the bank.

What was worse about this purchase was that it indicated the conflict of interest which existed for Mr Marcus Clark, the Chief Executive Officer of the bank. The Auditor-General says that Mr Clark had a conflict of interest. At the time of the sale, APA Holdings was indebted to Alan Hawkins Equiticorp Group. The terms of the sale provided that \$27.6 million of the price be paid to Equiticorp in a settlement of that debt. Clark was a director and shareholder of Equiticorp Holdings, the ultimate holding company of the group, but Clark failed to disclose his interest to the State Bank board. I believe that is highly unethical behaviour, and it was part of the problem that existed at the bank.

It is one thing to have a board that does not take adequate action, as is suggested by the Auditor-General: it is another thing to have that board being misled, as it obviously repeatedly was, or else having information withheld by Mr Clark. I certainly hope that, as a result of the further action that has been recommended by the Auditor-General to investigate the activities of Mr Clark, some action can be taken against that person. It is clear that his behaviour in relation to Equiticorp and Oceanic was disgraceful; it was unworthy of a bank Chief Executive Officer, and one can only hope that he will get his just rewards for that behaviour.

It also comes out in the Auditor-General's report that the remuneration for Mr Clark and other executives of the bank was overly and ridiculously generous, in spite of reservations that the board had. I guess we will just have to wait and see what will come out of the final report by the Auditor-General and the Royal Commissioner as to what action will be taken against Mr Clark.

I conclude by saying that what we have in the Auditor-General's report is a two-year report that has cost many millions of dollars and has involved dozens of the top private sector accountants of this State in following the money trail. It indicates the problem that would be faced by any State Government in adequately supervising such a broad-based bank as the State Bank in a deregulated environment. I believe the only sensible conclusion that one can come to after considering the problems that were faced by the board, and the problems that we have, is that the State Bank has to be sold. I am pleased that the Government has decided that, if it can reach an offer that is in the best interests of the people of this State, the bank will be sold.

I believe that what we have seen in the history of the State Bank is not just a failure of a State Bank—one of a number that have failed over the years—but a failure of the Australian corporate sector generally. The State Bank is one small part of the massive losses that have occurred during the 1980s, not just in the banking sector but in the entire corporate sector. This has come about because of greed right across the board. A number of entrepreneurs—the John Elliots, the Alan Bonds and so on, and we can now add Marcus Clark—have failed during the 1980s.

The State Bank failure should be seen in perspective, and the Auditor-General's report helps us to do that. We have to get on with the job of ensuring that the State Bank can be put to the best possible use and that we can get sufficient money for it to relieve the burden on South Australians. I look forward to that. The Auditor-

General's report will certainly help us to achieve that. I support the motion.

Mr MATTHEW (Bright): I have listened with disgust to the contributions made by the Government in this debate tonight. We are noting the report of the Auditor-General on an investigation into the State Bank of South Australia. The State Bank of South Australia has lost \$3 150 million, and that money has been underwritten by the South Australian taxpayer. It amazes me that this Government can stand up in this Parliament and blame the board of the bank and Mr Marcus Clark. Now the member for Mitchell blames the corporate sector. They blame everybody but themselves and they say that everybody but themselves has to take responsibility.

The fact is the buck stops with the State Government; that is very clearly spelt out in this Auditor-General's report, and that is what the Auditor-General's report communicates very firmly and clearly to this Parliament. If the member for Mitchell would settle down and listen, I will explain to him what is in the Auditor-General's report, because clearly he has not read it. There is no way the Government can wash its hands of this disaster. The enormity of that loss will be felt not just by present generations but by the children of my young children, those of other members of this Parliament and all members of the South Australian community. We have heard from the member for Mitchell that this Government wants to dispose of the bank as quickly as it can, get rid of this embarrassment, grab a few dollars for it. The Premier has indicated he hopes to get \$1 billion. There is also the \$600 million from Mr Keating. That is only \$1.6 billion; the debt is \$3.15 billion, and we will be left with a bad bank that still has the potential to lose yet more of South Australian taxpayers' money.

I have noted the fallout of the State Bank in my electorate and those of surrounding members. I have seen in my area announcements that the Brighton and Marino kindergartens will close, that half the Seacliff Primary School, the Dover, Mawson, Glengowrie High Schools and the Hardy's block on the Esplanade at Seacliff will be sold off, and so on—all so that this Government can get what cash it can, while it plunders our assets in order to pay back the money lost through its mismanagement and incompetence.

In a nutshell, any analysis of the Auditor-General's report can but come to a conclusion in three main areas: first, the Auditor-General quite clearly links the reports of himself and the Royal Commissioner to establish a chain of responsibility for the disaster of the State Bank. It also, through the Auditor-General, gives the background to the common findings of both the Auditor-General and Royal Commissioner that rapid uncontrolled growth of business was the main cause of the bank's collapse and shows how this growth—and I ask the member for Mitchell to acknowledge this point—was encouraged at all times by the Government.

The Auditor-General also rejects the assertion of Government that the board and the management must bear most of the responsibility and goes further to say that this assertion totally misrepresents the report of the Royal Commissioner. Any attempt by the Government to state otherwise is also a misrepresentation of the Auditor-General's report, for its conclusions find that the

Government failed to appoint a board with sufficient expertise to control the rapidly growing bank and that Government influence prevented the board from removing Mr Marcus Clark before his ultimate departure in February 1991.

It is also important that we look at the nature of the report that is before us. The Auditor-General's report consists of some 2 400 pages, spanning 26 chapters; in total, combining that with the Royal Commissioner's report, we have some 3 200 pages of reports—about \$100 000 a page if we look at the enormity of the loss against each page. The Auditor-General's report analyses in detail action, inaction, decisions and performances of the former board and the former management of the bank. The Auditor-General makes quite clear that he did not see it in his brief to investigate the role of Government. He makes quite clear, therefore, that his report must be read in conjunction with the first and second reports of the Royal Commissioner for a full and fair assessment of why the bank failed and who was responsible.

In the House of Assembly on 9 March 1993, I note that the Premier alleged that the former board and the Managing Director Mr Clark must 'overwhelmingly bear the responsibility for the bank's losses'. This is the statement the member for Mitchell and other members who have stood up in Parliament tonight would have us believe, but the fact is that is simply not true. The Auditor-General's conclusion does not support that statement, and any analysis of his and the Royal Commissioner's reports together—for they must be read together—makes quite clear that the Government cannot evade its responsibilities. At the end of the day, the Government is accountable.

Mr Holloway interjecting:

Mr Matthew: Well, the member for Mitchell wants me to read out the statements, and I am happy to do that, for what I will do now is look at the statements made by the Royal Commissioner, the Auditor-General and the Opposition in its submission to the royal commission and, similarly, the statements made by the Government. I will look at those in three main areas: the uncontrolled growth of the State Bank Group, the Government capital that was used to support that growth, and the Government's failure to appoint an effective board. In doing so, I turn to the uncontrolled growth of the State Bank Group. I refer members to volume 1, page 21, of the Auditor-General's report as follows:

The one thing that all parties giving evidence to my investigation agreed upon was the bank failed because it 'grew too fast'. I agree.

On this topic, the Royal Commissioner says (page 392 of the first report):

From an early stage of its history the bank had put its stability at risk in pursuit of growth—the bank was encouraged in the course that it took by a Government that, according to circumstances, was either supportive or indifferent.

It is interesting to look at the Liberal Party submission to the royal commission of 31 August 1993 (page 291), which states:

At all times the Government understood the nature and amount of expansion and growth pursued by the bank. Treasury did not effectively monitor the group's expansion or growth. It did not assess the extent to which the growth was being planned

nor compare its actual impact on group profitability with original projections. It made no assessment whether new areas of business were exposing the Government guarantee to risk. Treasury and the Treasurer were more interested in the 'bottom line', viz., extent to which this growth increased returns to the budget.

The Liberal Party's, the Auditor-General's and the Royal Commissioner's statements all follow the same path. Let us look at the Government's evidence to the Royal Commissioner in September 1992. Page 253 of the Government submission states:

The bank's (expansion) strategies seemed appropriate at the time, both in the broad and in their particular applications. The bank was confident that it had the capacity to manage the expansion and diversification which took place and told the Government it did. Treasury had no real ability to detect that this was not so. The basic flaw, it is submitted, was not the strategy but its implementation.

I put it to you, Mr Speaker, that the basic fault was the Government's failure to monitor carefully the bank's growth, because this Government, quite clearly, as is supported through the Auditor-General and Royal Commissioner's reports, gave the green light to the rapid growth to the State Bank.

I turn to the topic of Government capital to support the bank's growth. I will start with the Labor Party's submission to the royal commission in September 1992, when it said, and I quote from page 174 of that submission as follows:

It was appropriate for the Government to provide capital when it did, at the request of the board and on the basis on which it was sought. What seems to have gone wrong is that the board failed to control and manage the growth properly.

So, the Government, in its submission, is saying that it is all the board's fault. The Liberal Party's submission of 31 August 1992 (page 208) states:

The attitude of Treasury appears to have been to provide the bank with unlimited capital provided it was prepared to pay... the Government made available to the bank significant capital injections which were expressed to be for expansion.

It is interesting to turn to page 390 of the first report of the royal commission, which states:

SAFA encouraged unrestrained growth of the bank by the uncritical supply of capital upon demand.

We have the Royal Commissioner saying SAFA, the financial arm of Government, encouraged unrestrained growth of the bank with the Government's blessing. The Auditor-General's report (volume six, page 97) states:

The attitude of State Treasury was that the bank could have whatever capital was required.

That was the Government's attitude of the State Treasury. Then we look at the Government's failure to appoint an effective board, the board it blames for all the bank's problems. Page 418 of the Government's submission to the Royal Commissioner in September 1992 states:

The Government did its best to give the bank a strong board. The Liberal Party submission on 31 August 1992, at page 86, states:

Although the selection of the initial board from members of the old boards was reasonable, the Government erred in failing to strengthen (or expand) the board by appointing persons who were sufficiently expert in the activities and businesses into which the bank expanded.

We had concerns about the appointment of board members and the way in which that occurred. Looking at the Royal Commissioner's report, we see two important references. The first, on page 20, states, in part:

The composition of the board was initially defensible making reference to social and political criteria, but was unsatisfactory in terms of business and banking acumen and experience, especially as the size and the complexity of the bank's operations increased.

On page 392 of the same report we see:

The board as a whole lacked the strength, resolve and ability to address the complex problems.

That is the same board, and the Government claimed in its submission it did its very best to give the bank a strong board. The Auditor-General, on pages 22 and 25 of volume 1, states:

The board of directors appointed by the Government in 1984, and largely maintained thereafter, may have been adequate for the task of overseeing the merger of the two safe South Australian retail banks, but as the new bank was launched on a path of extraordinary expansion, the board was left floundering. They lacked banking experience and, in most cases, hard-headed business acumen.

I think some convincing evidence can be obtained from those quotations. The Government chooses to blame the board. The Royal Commissioner's report and the Auditor-General's report lay the blame fairly and squarely at the feet of the Government for not ensuring that the proper personnel were appointed to that board. The buck stops with the Government. The Government is guilty of not overseeing those appointments correctly. The Government claimed that it was appropriate and reasonable to forward the moneys that it did to the bank. The Auditor-General and the Royal Commissioner found that the Government, through Treasury and through SAFA, allowed the bank to grow in an unrestrained way. Again, the Government stands guilty. The Government claimed that its expansion strategy seemed appropriate at the time. The Auditor-General's report and the Royal Commissioner's report once again show that the Government exerted insufficient, inadequate control. Again, the Government stands guilty by the reports of the Royal Commissioner and the Auditor-General.

I think it is important to conclude by making some interesting references to where the money has gone. Indeed, \$3 150 million is a heck of a lot of money to most South Australians and most South Australians have a lot of difficulty in deciding how much it means, how much of a room that money would fill, how far it would go around Australia and how all this happened. It is interesting that when we look at the overseas growth of the bank we see where a significant part of that capital was lost. The Auditor-General, in volume 1, page 108, states, in part:

The growth of the bank's assets overseas is, in one sense, more dramatic than that on-shore as the bank's overseas assets grew from some \$200 million as at December 1985 to \$5 270 million as at February 1991. This called for a standard of internal audit that was responsive and capable of assessing the emerging risks and exposures associated with such rapid growth and diversification.

That sort of growth off-shore put the State Bank at great risk, from just \$200 million in December 1985 to \$5 270

million at February 1991. This Government was risking South Australian money off-shore; this Government lost South Australian taxpayers' money overseas. South Australians today and their children and their children's children have to pay for this overseas gamble irresponsibly taken by a Government that, quite frankly, has demonstrated it could not manage a chook raffle. It has lost money hand over fist in whatever venture it has turned to, and the State Bank is one enormous example of where that has happened.

Before I was elected to this Parliament, the member for Coles repeatedly questioned and probed the Government, as did other Opposition members, and continued to do so. The Government still, after those warnings, did not look at where the problems were—at least it claims it has not done so. What sort of responsibility is that as demonstrated by this Government? The fact is that \$3 150 million has been lost. A good percentage of that has been lost overseas and interstate, and a minority of that money was lost in South Australia. The greatest monument to the South Australian losses is presented through the Myer-Remm site. It is interesting to look at the Myer-Remm site. The Auditor-General, in volume 1, page 69, states:

Despite the shortcomings in the immediate implementation of the board's decision, Mr P. F. Mullins and another officer of the bank executed (under power of attorney) the Rundle Mall performance guarantee. This was done on 29 August 1988. The importance of this step should be recognised. Its effect was that, even though the bank was limited in its obligation to Remm Group to the extent of financing the project up to \$500 million, its obligations to Myer Stores Limited were not limited to that figure.

It further states:

The enormity of the risk which the bank took by signing the Rundle Mall performance guarantee must be appreciated. If the cost of the development blew out, the bank was liable to Myer Stores Limited to make the additional funds available to complete it. If the value of the development project was substantially less than expected, the bank would suffer loss if it was forced to sell it. The disaster scenario stated in the July 1988 proposal envisaged that the bank might hold the asset until 'the centre value equated to the outstanding debt and it could be sold'.

The fact is that the risk involved more than \$200 million to the bank, and at the end of the day no documentation in connection with it was ever prepared. It does not matter where we turn in the Auditor-General's report or in the Royal Commissioner's report, it is a travesty, a record of incompetence and of mismanagement. At the end of the day Government members will see the benefits gained for South Australia from the bank, but that will happen only after this Government is unceremoniously thrown out by the long belted South Australian taxpayers.

Mr BECKER (Hanson): This is a sad day for South Australia because we are now witnessing the receipt of and the debate on the report of the Auditor-General wherein it took a Labor Government 10 years to destroy what it took the citizens who served the State 135 years to build and develop. I refer to the very beginning and foundation of the Savings Bank of South Australia, which was stolen from the people of South Australia and

merged with the Government's little bank, the State Bank, to become the State Bank of South Australia.

I remind the Parliament that in 1847, when the legislation was put through this House to establish the Savings Bank of South Australia, the Parliament considered and stated in that legislation:

Whereas it is desirable, for the encouragement of frugality, that persons possessing small sums of money beyond what they require for the supply of their immediate wants, should be afforded an opportunity of depositing the same on good security, to accumulate at interest, and to form a provision for themselves and families...

And be it enacted, that the Governor of South Australia for the time being shall be President of the said Institution, and that the management of the affairs of the same shall be vested in twelve trustees, to be appointed by the said Governor, of whom one shall be styled Vice-President...

It also states:

No trustee to derive benefit from, nor to deposit in, the bank. It is a shame that the original legislation was not perpetuated in the current State Bank Act. If it had been, some of the problems might have been avoided. In 1948, in a book *Our Centenary*, detailing the first 100 years of the Savings Bank of South Australia, the Premier of South Australia, the Hon. Thomas Playford, said:

I appreciate the opportunity of congratulating the Savings Bank of South Australia on achieving its centenary. At the same time may I pay a tribute to the trustees and staff during that period who have been responsible for building up such a fine institution.

The people of South Australia have long enjoyed a reputation for thrift and stability. This is due in no small measure to the encouragement and excellent service provided by the Savings Bank of South Australia. The bank has grown with the development of the State and has played a very important part in the progress that has been achieved.

The Governor of South Australia, Willoughby Norrie, said:

The Savings Bank of South Australia, which is celebrating its centenary in March 1948, has always been closely linked with Governors of this State. Lieutenant Governor F.H. Robe was the bank's first President in 1848 and now, almost 100 years later, it is my privilege to write a foreword to this history of its progress and expansion throughout the years, and to congratulate the bank on its enterprise and outstanding record.

Our Centenary tells of the bank's development coincident with the growth of South Australia and a hundred 'not out' is certainly a feat understood and admired by all. Many prominent citizens have served as trustees and under their able guidance the bank has earned and maintained the reputation for stability and service.

The Savings Bank is a mutual institution founded for the encouragement of thrift. From a humble beginning it has reached a position of eminence and the extent of its beneficent influence can be gauged from the fact that there are 86 operative savings accounts for every 100 people in the State. The bank's achievements reflect the vision of its pioneers, the sound judgment of the administrators and the unswerving confidence of depositors throughout its first 100 years.

The massive building of the bank's head office in King William Street is an adornment to the architecture of the city of Adelaide, and symbolic of the soundness and solidity it represents. All South Australians can well be proud of an

institution which has rendered such signal service to their State. Willoughby Norrie, Governor of South Australia, 1948.

As I said, in 10 years, 135 years of fine tradition was wiped out and has been totally destroyed by a very incompetent Administration: the Government of South Australia.

It is terrible to think that the Auditor-General had to be brought in to investigate the operations of the past 10 years to find out what happened and to remind the people that they now are liable for \$3 150 million. That is the beginning. We do not know the full story, and it will be some years before we know exactly how much the people of South Australia will have to pay. It is a sad reflection on, and a very poor tribute to, the pioneers of this State and to the 86 per cent of people in South Australia who banked with that institution that helped to carve and establish South Australia from the West Coast across to the eastern boundary, from the Northern Territory boundary right along the coastline of this State.

Tens of thousands of people in the city and in the country purchased their first home through a loan from the Savings Bank of South Australia, secure in the knowledge that there was little risk, if they were able to maintain their payments, that they would ever lose their home. It gave them a wonderful start in life and gave them the opportunity to own their little bit of Australia. That will now not be possible to the extent that it has been because the Government has put up the 'for sale' sign; the bank is for sale.

The Government is being bribed by a vicious and vindictive Prime Minister who, as Treasurer of this country, wanted to see the end of all State banks; he did not believe in the banking system that we had. I believe he was so vindictive and so bitter at the private enterprise banking system for what it did to his Party in 1948—when the private trading banks opposed the nationalisation of banking, which was a plank of, and still is the secret desire of, the Australian Labor Party—that he encouraged the banks to destroy themselves, and that is exactly what they did. He deregulated the banks and then let them destroy one another.

It was a very poor administrative effort. It was a disgrace and it is an issue that the people of this State will never be allowed to forget. I believe the electors in South Australia will not let any political Party forget what has been done to them and to the future generations of South Australia. You cannot wipe out 145 years of very proud, fine tradition as we have witnessed at the present moment. Under the heading 'Government attempts to blame management for uncontrolled growth', the Auditor-General said:

As a group the bank's senior managers were not up to the job.

Billy the goose would know that because the Savings Bank of South Australia was, in theory, a glorified building society. It was a housing loan institution that also made some small commercial loans, particularly to the rural sector and small businesses. The staff of the Savings Bank did not have the experience, training or the opportunity to compete with and compare with those who were trained through the private enterprise banking system. You just do not acquire that knowledge and those skills overnight. Each bank had its own accounting

system, it had its own training schools and it was quite an intense operation. In relation to housing loans, they did that job well.

It is fair comment for the Auditor-General to come up with those findings. He said, as has been often quoted so far in the debate:

The bank grew beyond the collective ability of its management to ensure that its lending was safe, satisfactory and profitable.

For example, the Auditor-General has reported:

The need for an effective system for controlling group wide risk was recognised from 1985, when the objective of establishing such a system was included in the 1985 Strategic Plan.

I asked questions in 1985 as to why the State Bank was lending money on shopping centres, I believe, in Geelong. Something like \$50 million of South Australian money was lent in a regional shopping centre. That was not really what we approved in this House. We wanted the State Bank to develop South Australia, to encourage development and to provide the opportunity for South Australians to own their own homes. The Auditor-General continues:

There were repeated references to this need over the following three years. Despite this, no action was taken to implement centralised monitoring of the group's credit risk exposures until September 1988.

Much has been said about the growth of the bank by acquisition of business. The bank acquired numerous businesses and went quite willy nilly into obtaining these businesses. I understand that as at 30 June 1991, when there was a consolidation of the accounts and of the companies involved within the bank, there were some 542 companies. Yet when we asked questions to determine how many off balance sheet companies existed, we were told there were something like 58. We found out a few months later that there were 72.

We had been misled by the then Premier of this State, and he had been given false information by the bank, but now we find that when all the acquisitions are taken into consideration, when all the off balance sheet companies are added up including all the subsidiaries of the off balance sheet companies, there were 542 companies. Nobody could effectively and efficiently operate an organisation that had so many companies. For anyone to know what was going on would be an amazing feat of accounting skills, yet this organisation did that; it had that huge conglomerate. Now it is up to the current management to try to downsize the number of companies, and I believe the number has been cut almost in half. There were about 340 in June 1992, and it is now heading down towards 200. Even that is far too many for any institution, let alone a financial institution like this.

One of the issues that concerned me was the purchase of the United Building Society. The Auditor-General had much to say about that. He said:

Government approval for the purchase of the New Zealand based United Building Society was given in May 1990 when it was clear the bank was in serious trouble.

The Auditor-General, at page 24, chapter 1 of his report, said that UBS had been purchased for \$150 million 'while the due diligence was itself half completed.' The United Building Society incurred a loss of \$123 million

in 1991. In reporting on the United Building Society purchase, the Royal Commissioner said (at page 288 of the first report):

Its significance for present purposes lies in the fact that the wisdom of expansion in a time of consolidation, and at a time when the bank was demonstrably struggling to cope with the downturn in the economy, particularly in New Zealand, must have been a real issue to have been addressed in terms of the Treasurer's responsibilities under section 19(7)... the time had surely come, if indeed it was not well past, when in the interests of the people of the State, Treasury should have asked the bank to obtain a 'due diligence' report from independent experts to support the application for approval, particularly in a proposal of this magnitude. In the face of all the known trends, it was simply not appropriate to treat this proposal as yet 'another favourable counter-cyclical opportunity'. Not the least significant fact known at the time was that the group total of non accrual loans was now approaching \$1 billion.

I asked questions about the acquisition of the United Building Society and, as was my wont, incurred the wrath of Tim Marcus Clark. We in the Opposition had been told on many occasions that, if we had any questions concerning the State Bank, we were to contact the bank. We were not to raise them in the Parliament or publicly because, if we caused a run on the bank, we would be blamed and castigated if it seriously affected the credibility of the State Bank.

I have reminded the House once before of a luncheon which I attended, as the shadow Minister, on 5 December 1988 with my colleague the member for Kavel, the former member for Kavel (Hon. Roger Goldsworthy), the member for Mitcham, the Hon. Legh Davis and the Hon. Trevor Griffin. Representing the bank at that luncheon and briefing, which started at 11.30 am, were Tim Marcus Clark; Ken Matthews, Chief General Manager; Bruce Mackey, General Manager, Group Information Systems; Des Masters, General Manager, Corporate Banking (he used to work with me in the Bank of Adelaide, and how the hell he ever got into that position in the State Bank I do not know); Trevor Mallets, General Manager, Treasury and International; Graham Ottaway, General Manager, Group Service; Steve Paddison, General Manager, Personal and Business Banking; John Baker, Managing Director, Beneficial Finance Corporation Limited; Chris Guille, Managing Director, Executor Trustee and Agency Company; and Jim Hazel, Managing Director, Ayers Finnis Limited. That was a very powerful executive team with whom we had lunch.

During that lunch the opportunity was thrown open to ask questions. That is when I asked Marcus Clark why the bank loaned his company, Tasman Equiticorp, considerable funds to buy shares in BHP and how that transaction was put through the books. Tim Marcus Clark said, 'It was quite above board. I withdrew my chair from the board meeting and had nothing to do with the discussion.' I challenged him. I said, 'You were a director of the company and, had the board refused that application, it would have been a vote of no confidence in your judgment.' So, that luncheon proved to be quite a tense affair.

It was not until February the following year, 1989, when the question was formally asked by the member for Coles in this House. I well remember having written to

the Leader of the Opposition, now the member for Kavel, on 2 February 1989 suggesting that we ought to ask the Premier a question to ascertain what he knew about this transaction and whether or not Marcus Clark was guilty of a conflict of interest.

Until now, no member has mentioned the fact that there is a disclosure of interest clause in the State Bank Act. Section 11 provides:

(1) Subject to subsection (2), a director who has a direct or indirect pecuniary interest in a proposal before the board—

(a) shall, as soon as he becomes aware of the proposal, disclose the nature of his interest to the board; and

(b) shall not take part in any deliberations or decision of the board with respect to that proposal.

(2) No disclosure is required under subsection (1)—

(a) in respect of an interest that arises by virtue of the fact that the director is a customer of the bank (being an interest that is shared in common with other customers of the bank); or

(b) in respect of an interest—

(i) that arises by virtue of the fact that the director has a shareholding (not being a substantial shareholding within the meaning of Division 4 of Part IV of the Companies (South Australia) Code) in a public company; and

(ii) that is shared in common with the other shareholders in that company.

(3) A director who fails to comply with subsection (1) is guilty of a summary offence and liable to a penalty not exceeding five thousand dollars.

The then Chairman of the State Bank issued a press release as follows:

The Chairman of South Australia's State Bank, Mr Lewis Barrett, OBE, today declared that the bank's Managing Director, Mr Tim Marcus Clark, played no part in the decision to lend to Equiticorp.

His statement goes on to explain what happened at the board meeting and that he withdrew. There is no doubt that Mr Clark had his back well and truly protected in relation to that transaction. It makes it very difficult when the State Bank Act provides an indemnity with respect to the directors of that bank when carrying out their duties. Section 29 of the State Bank Act provides:

(1) No liability attaches to a director or other officer of the bank for an act or omission done or made, in good faith, and in carrying out, or purporting to carry out, the duties of his office.

(2) Any liability that would, but for subsection (1), attach to a director or other officer of the bank shall attach instead to the bank.

That refers to the immunity of directors and staff of the bank. They are not huffing and puffing as to who is responsible. There is a very clear indication that if anyone has any knowledge of banking the Government must take the full responsibility. The Government is totally liable for the losses of the bank and therefore must also accept responsibility for pulling off one of the worst blunders that has ever occurred in the history of this State. The taxpayers of South Australia should never let any political Party forget the damage they have done to the reputation of this State.

It is a sad, sad day for South Australia. It is a sad day for future generations of this State that we now have to consider selling off the State Bank. I would not sell it off. I would try to trade out of it because, if we sell the bank now, in 30 years we will have nothing. I would

rather battle to try to save it so we can give something to our future generations. I believe that properly run and well managed by a reliable Government, the bank could be saved.

The SPEAKER: Order! The honourable member's time has expired. The honourable member for Murray-Mallee.

Mr LEWIS (Murray-Mallee): In the course of my contribution to this question, I wish to draw attention to those aspects of the bank's activities which were outside South Australia. Before involving myself in some detail on those matters, I wish to make some general observations. I believe that the Government has acted with culpable, if not criminal, negligence in the way in which it failed to exercise its power and responsibility to rein in what was occurring in the bank, and it did that because of what I describe in the vernacular as the sleazy deal it had between itself and the board and itself through the then Premier and the Managing Director, as in fact he was but should not have been, Tim Marcus Clark.

The then Premier (the member for Ross Smith) clearly expected to get political favours in return for the greater measure of discretionary freedom that he allowed Marcus Clark in the way in which he was permitted to pursue those ill-advised excursions into the realms of what can only be described as merchant adventurer investment. Merchant adventurer investment is the most risky of all, and that is where we went with our taxpayers' guarantee.

Marcus Clark condemns himself out of his own mouth when on occasions he refers to the fact that he has the guarantee of the people of South Australia as taxpayers to expand the assets (so-called: that is, the lending of the bank to clients) to pick up the tab if it goes wrong. That should have sent messages to the Government—the Ministers—and in particular to the Premier, but it did not. The benefits that the Government and the Premier got were both the profits which he demanded the bank pay into Treasury—they were fictitious profits, as we now know; they were merely book entries—and in addition the right deliberately to interfere with the bank by forcing the bank in a *quid pro quo* to give a stay on interest rate increases at election time. Indeed, the Premier bribed the bank with \$2 million prior to the 1989 election. We on this side of the House would have been on the Government benches on the other side of the House if that bribe had not been paid; there is no question about that. It was as corrupt and criminal as that, and I accuse the collective Government, led by the member for Ross Smith, of being nothing more than common criminals for being involved in that.

Let us take a look then at what was said during the course of our analysis of the Auditor-General's report and the Commissioner's report about the growth of the bank's business outside South Australia. I was always very anxious about this aspect at the time we contemplated and debated the legislation. The bank should have stuck to its knitting by combining the Savings Bank of South Australia with the State Trading Bank. We had a very strong local bank serving the interests of South Australia's economy, and it should have stayed there, doing that. There were two reasons for that. The first was that, if it made any bad decisions,

at least the South Australian community would still have had the money here.

Secondly, the pressure applied to the Government by the bank to make sure the South Australian economy was vibrant and viable so that the bank could operate profitably in that environment would have been greater, and its directors on the board and its management would have been advising the Governments, of any political persuasion, whenever their policies were having an adverse impact on the South Australian economy—that they were having an adverse impact on, say, employment or profits and, therefore, an adverse impact on the capacity of the State to generate lending opportunities for its own bank. They were the two great benefits in having the bank largely restricted to investment in South Australia.

The only offshore or out of State activity in which it should have been involved should have been the establishment of blue chip assets—nothing whatever to do with risk ventures. It would have saved the bank millions in salaries had it done so. So, whilst the Auditor-General has implied or stated that he supported the strategy of diversifying risk by spreading the bank's business outside South Australia, I say to this House, as I have said publicly before, that that is bad; it should not have happened. Even the Auditor-General comes down in contradiction of his own point, as I will illustrate in a moment. His most substantial criticism throughout the report is with the implementation of that strategy. Mine is with both: the fact that the bank went outside South Australia without the Government's authority and, when the Government knew of it, it did not stop it from getting involved in those risky investments.

So, we see that, by December 1990, 34.8 per cent of the bank's loan portfolio was with overseas borrowers. By June 1991, 62 per cent of the bank's non-accrual exposures were outside South Australia. We do not have any more recent figures than that. We know that overseas borrowers accounted for 24.7 per cent of the non-performing loans. Then, looking at what the Auditor-General has had to say, we see that, from an overseas asset base of \$22.6 million at the time the bank more or less began business in 1985, the overseas assets grew from that meagre sum (by comparison with this figure) to \$5.27 billion in February 1991. I find that incredible. It was worse than that: in September 1990, during a phase of exceptional growth, the overseas assets had reached almost \$8 billion—\$7.9997 billion—and that is to be found in chapter 1, page 88. On the same page we find the statement:

It is ... questionable whether or not the bank should have established, and having established, should have maintained, its significant overseas operations.

That is where I find the Auditor-General curiously at odds with his general view that it was okay for the bank to diversify risk by spreading business outside South Australia. Further, three pages later, we find the following:

...the non-executive directors should not have approved the profit plans in relation to the bank's overseas operations, until such time as management had prepared and presented a detailed and substantiated review of these operations, demonstrating to their satisfaction, the benefit to South Australia of the

maintenance of these operations and their future ability to achieve profit.

That is on page 91. If we turn to chapter 5, page 44, we find the following:

The significance of the geographic spread of the bank's credit exposure lies not in the issue of concentration of risk, but in the bank's management of the rapid growth of exposures in lending markets where it had not operated to any significant degree in the past, and hence lacked sound knowledge and experience of local conditions.

Yet, the Premier of the day said that he had absolute and unconditional confidence in the Chief Executive Officer, the Managing Director, Marcus Clark. With that sort of a record? It is incredible. The Auditor-General said that the board lacked sound knowledge and experience of local conditions, and that is very much at odds with the Premier's stated opinion of the bank's board and Managing Director.

Let us now look at the Royal Commissioner's remarks: he made a number of observations about the Government's role in approving the bank's expansion overseas. Regarding expansion into London, Hong Kong and New York, the Royal Commissioner stated (page 63 of his first report):

There is no evidence of any analysis of the plan or advice to Mr Bannon by Treasury, nor is there any evidence that the results of overseas operations thereafter were tested or examined against the approved plan... What is not acceptable is to observe the Government in the comfort zone it had chosen by its policy of non-awareness...

If that is not an indictment of the Government's incapacity, an indictment of the Government's demonstrating its irresponsibility, I do not know what is, and it is something on which I and other members would urge you to ponder, Mr Speaker, as you continue to prop up this Government. Further in that report, on page 78, we find:

Such uncritical support by the Government of the bank's expansion in Hong Kong is difficult to understand. Again, on page 111:

If the Treasurer did not approve, the bank would not have engaged in those areas of geographical expansion of its activities... neither the Treasurer nor his officers established or applied any consistent and appropriate criteria for assessing expansion proposals other than their short-term profitability, which on its own was not an adequate test.

That is the Royal Commissioner speaking about the Government. Let me conclude by making some further observations. These criticisms about the Government's failure to ensure that the growth of the bank was prudently controlled by the board and managed by the bank's executives, made by the Royal Commissioner because he noted that the Government was more interested in encouraging the bank to grow and to generate funds for the State budget. He says:

The Government's implicit message to the bank during the year 1984-85 was that it should pursue its growth both locally and internationally, provided it projected profits and made a satisfactory and progressively increasing return on funds to the State under section 22 of the Act. That message is understandable but it lacked the desirable element of restraint appropriate to a new-bom bank that had to learn to walk before it could run as quickly as it did.

Then on page 83, when he was speaking about the contribution of 70 per cent of the State Bank Group profit to the State budget, he says:

There is no doubt on the whole of the evidence at this relatively early stage that the focus of Treasury on 'profit', that is the level of contribution to Government coffers, rather than the quality of performance was reflected in bank strategies, which were dominated by the quest for ever-increasing profits.

On page 101:

...the failure of the Treasurer and Treasury to consider any measures to protect the Government's liability under the guarantee is a reflection of their general perception of the bank, at least from 1985, as a source of funds (a cash cow) only. There was a blinkered failure to review the Government's position in the face of flashing warning lights.

On page 138:

The board seems to have taken the view that any activities of the bank designed to achieve any level of profit were for the benefit of the people of South Australia. It was not a view which was challenged by the Government which, of course, also had access to the quarterly operating reviews.

They are the kinds of things which I believe clearly demonstrate that the bank went out of its depth, out of the arena of operations known to it, and that the Government aided and abetted these activities to the point where both were out of their mind. They are clearly out of order. The sooner we see the end to the Government, the better.

Debate adjourned.

SITTINGS AND BUSINESS

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety): I move:

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

Motion carried.

CRIMINAL LAW (SENTENCING) (EDUCATION PROGRAMMES) AMENDMENT BILL

Received from the Legislative Council and read a first time.

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety): I move:

That this Bill be now read a second time.

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

Leave granted.

This Bill seeks to amend the Criminal Law (Sentencing) Act by providing for the approval of educational programmes for certain classes of offenders.

In June 1990 Magistrates began requiring offenders, by way of a bond, to attend educational programmes conducted by National Corrective Training Pty. Ltd. (NCT), on a "user pays" basis. The offences involved were primarily shop lifting and, to a lesser degree, assault and domestic violence offences.

Over the last year a pilot programme has been conducted into the use of education programmes.

The programmes conducted during the pilot have been well received by the Magistracy and the course participants. However, there has been a growing reluctance by the Magistrates to continue sentencing offenders to the programmes as a condition of a bond, based on doubt about the legality of a condition that requires the offender to pay the course fees.

The principal object of the Bill is therefore to provide as a sentencing option, that a court can impose a bond condition requiring a defendant to attend an educational course. In the first instance it is intended to approve programmes dealing with shop stealing, domestic violence and offences under Section 46 of the Road Traffic Act (driving in a manner dangerous to the public). The system as it will be administered will provide as follows:

- During the first two years of the scheme it is envisaged that there will be only one approved programme provider. Following an evaluation of the usefulness and effectiveness of the programmes in the first two years, this number may be increased.
- An offender will attend such a programme as soon as possible but at least within six months of the date of the bond.
- A certificate of attendance will be issued by the programme provider to the offender and to the originating court as proof of attendance.
- The method of payment of fees for attendance at an approved programme will be provided for as a condition of approval of the programme.

The provisions of the Bill are as follows:

Clause 1: Short title

Clause 1 is formal.

Clause 2: Commencement

This clause provides for commencement by proclamation.

Clause 3: Amendment of s. 42—Conditions of bond

This clause amends section 42 of the principal Act. The amendment authorises the court to include in a bond a condition requiring a defendant to attend an educational programme approved by the Attorney-General in respect of the particular offence involved.

The Attorney-General may approve, conditionally or unconditionally, such educational programmes and may revoke or vary the conditions of approval of a programme. The fees for such a programme are to be borne by the defendant, subject to any relief provided by the programme provider in accordance with the approval conditions.

Mr OSWALD secured the adjournment of the debate.

STATE BANK

Adjourned debate (resumed on motion).

Mr VENNING (Custance): My contribution tonight will be brief, but I think that the people of Custance want me to put their point of view on this very important

issue. I commend the Auditor-General on his report of some 2 400 pages. It is certainly a big feat, and no doubt it has not given him much pleasure. However, it is a credit to him. The Auditor-General's report on the State Bank collapse is a sad, disturbing document, to say the least; it has the smell of death and decay about it. It is another nail in the coffin that this Government is building for itself. Sadly, it is yet another grim report on an economy that is nearly mortally wounded. It quite clearly puts the Government in the frame for the collapse. However it might twist, it cannot, in the final analysis, escape the responsibility.

Claims that the board and management of the bank must take the rap do not hold water—not at all. We have heard this continually. Nor can the Government claim that the board has been appointed by the previous Liberal Administration, as it has tried to do. When the Tonkin Government appointed that board, it was to the old Savings Bank of South Australia and, as we heard previously, it served the State very well. As my Leader said, it was the bank where he lodged his first deposit, as many of us did, particularly in country areas. I did the same. That was a totally different operation from the national and international scope of the State Bank that we know now.

But the Government could not see that—and it still cannot see it. It ignored the warning signs, including the 200 questions that the Opposition asked about the State Bank's operations over three years. We have had heard this *ad nauseam*. We bring up these points because the Government is still there. We are questioning everything we do; we are debating the concept of a republic. If this is the way a Government operates, we must question the whole viability of the Government—even of State Governments, if this is the way they carry on.

Mr Ferguson: Are you reading this speech?

Mr VENNING: I am not reading this speech: I am referring to the report. The Auditor-General's report, as does that of the Royal Commissioner, on any reading, points to the uncontrolled growth of the bank as the main cause of the collapse. The growth was always encouraged by the Government. It was monstrous growth; huge growth out of control—and we all know the facts and figures on that. There was an unlimited supply of capital. The Government treated the bank like a milch cow. The Government told the bank to get out there and sell business, that the Government was behind it and that it was money for the State. We all knew how much it financed the State and encouraged the bank every way it could. The powers were available to the Government to appoint a board that could have control of the bank's business. The power was there, and this Government cannot run away from that responsibility.

The report again exposes the Government's role in stopping the board from sacking Marcus Clark. It is clearly revealed in the Auditor-General's report that the board wanted to remove Mr Clark, but the Premier stepped in and said, 'No'; he had confidence in Mr Clark to be able to fix the problems. What naivety that is! One wonders what the then Premier was thinking at the time.

From my point of view, a special tragedy of this whole sorry mess is that country communities are being made to bear more than their fair share of the budget cuts and the economies that this and other

mismanagements of this Government have caused. On the weekend when I was at home I looked around at the various Government institutions—and I have asked a question in this House before about this—and wondered about the future of these enterprises. I notice that eight more people have been laid off since the Federal election. The plant and equipment that was used in the yard is no longer there. The price of the State Bank goes on and on.

The Auditor-General has highlighted this and has put the blame quite clearly on the Government, which overlooked its responsibilities. Many of those country communities will be pushed a step closer to extinction by more cuts to the support and services that are no more than their due. I said there was a smell of death about this report. This Government is staring the grim reaper in the face and there will be no resurrection for it. The people will judge.

Mr Holloway interjecting:

Mr VENNING: I will get to the member for Mitchell. The comment he made a minute ago staggered me. It will be up to a new Liberal Government to perform the mouth-to-mouth resuscitation that the State needs urgently. One reason why it will not survive is that, whatever it says, the people of this State are smart enough to know the implications of the Auditor-General's report and who to blame for the State Bank tragedy. I was astounded a few minutes ago when, in my office, I heard the member for Mitchell make the following comment (and I had to write it down—I could not believe my ears), and this incredible comment says it all:

The \$3.5 billion indemnity gives the Government—the fact that it paid out the money—control of the bank.

Mr Holloway: I didn't say that.

Mr VENNING: That is exactly what the honourable member said. He can check it in *Hansard*. It was as if to say it couldn't do it without the indemnity. Of course it could have done it before the indemnity, and that is the weakness. It had every power to control the bank—every power to come to this Parliament if it did not have the power to get it. But to now say that, because this huge amount of money has been paid, the Government has the right to interfere absolutely mystifies me.

I think it is an incredible statement. They are trying to defend the completely indefensible, and that really staggered me. It is a sad day. The report justifies what we already knew. Our worst fears are realised. It confirms what the Opposition has been saying for three years. When I first came into the Parliament the matter had already been going six to nine months. The ridicule that was coming from those opposite was a shock to a new boy in this place. It is now four years since the matter was first raised here. It justifies the stand that we have taken, particularly some of our frontbenchers on this side. I particularly pay credit to the member for Victoria, who stuck his neck right out against a lot of public opposition to reveal what he did.

An honourable member interjecting:

Mr VENNING: I did not knock him off. The Leader at the time resigned. He had my support then and he still has, as have all my colleagues. He will go down in history as being a man with courage. It is a pity that more people in the Government did not listen and act

three years sooner. If they had acted three years sooner, we would now be much better off financially by billions of dollars. But they put their heads in the sand. They should have acted a long time before they did.

Who was responsible? Tonight members opposite have been trying to blame everybody else. It is not the Ministers; it is not the Premier or the Treasurer; it is not the Government. Who is it? It must be the board of the bank. Who appoints or has control of the bank? This is a State Government bank, guaranteed by the Government. The only honourable thing the Government could have done was resign when the disaster became known. We are now three and a half years down the tube and the Government is still there. How in a democracy like Australia, functioning within a State Parliament, can a Government have a such a record and still be in power? What bigger disaster could one consider as a reason why a Government should no longer be in office? There has not been a bigger disaster in this State's history, financially or otherwise. This Government will go down in history for what went on here in the last three or four years—it will go down in history for what has happened to this bank; a catastrophe, a Government losing control of a major Government instrumentality.

We have seen the scapegoat in the member for Ross Smith. He cannot be blamed completely for it. He was the ringleader, certainly, but to say that the Deputy Premier or the Ministers knew nothing—what were they doing in Cabinet? Did they not discuss the issue? Did they not know? The Auditor-General talks about all these things and the Royal Commissioner talks about them even more so. To say that those Ministers did not know anything is absolute nonsense.

It has happened now and we will have to work out whether we can learn any lessons from it. Governments are not accountable in this sort of business; that is why they should not be in it. They are not business sensitive either, nor do they have any singular responsibility. So, Government should not be in banking, insurance and these other things.

If we read old copies of *Hansard* of 20 years ago we see what some of the Opposition members were saying, when they were talking about Government insurance companies. It is history repeating itself. Some of my colleagues in those past days were subjected to ridicule, and history has proven that they were dead right. The Government would be well advised to read those volumes of *Hansard* and in hindsight see what has happened. It makes one wonder why we play politics in this State. I think we should listen to some of our wise counsels rather than get carried away with our political dogma. It really makes me sick. What was said by the Opposition in those days was dead right. It is all there for people to read, but the Government did not bother. South Australia has been conned by successive Labor Governments and now we are seeing this tragic dilemma.

The Auditor-General has really recorded the obvious. In his report we have read about the Collinsville Stud. It particularly interested me. It staggered me when I heard that Elders were in trouble with Collinsville after introducing the new *in vitro* fertilisation program. It cost them millions and they were looking like being \$11 million down at one stage. When the bank came along and took it over the figure was about \$22 million.

What sort of business is that? Elders could not have believed their luck. The whole asset would not have been worth more than \$4 million, as smart as it was, but they took it on for \$22 million and took over the chap who came with it, Mr Hamilton—with respect, because he has passed away—purely because, as the Auditor-General said, the bank felt it ought to be involved in some real estate in the rural areas in the merino capital of the world.

What absolutely ridiculous bookkeeping that was. That is just an example that I know of as to where this money actually went. It was \$34 million down, and it is now rumoured that it is \$40 million down, on a \$4 million asset at best. The Government is responsible for this. It has failed and it has let South Australia down. How can this Government remain in office? I ask that question of any fair minded person. All the reports we hear are bad, but they cost even more money.

If the Government and Treasurer were honourable and had resigned, none of this expensive examination would have been necessary. The Auditor-General has spent a lot of time on this matter. I do not know what the exact cost is but it is a huge amount of money, as was the sum involved in the ongoing Royal Commissioner's report. At least only the Auditor-General's report may have been necessary and not all the others, but we still have two reports to go.

The past Treasurer did not want to know about it, and the Royal Commissioner's report states quite clearly that the member for Ross Smith would not let the board sack Mr Marcus Clark. He would not listen to questions from the Opposition. What were those in the Cabinet doing? They did not say 'No'; they did not do anything about it. The only conclusion I can draw is that they did not have the guts to really ask the hard questions. They must have known; they thought it would go away; they wanted to ignore it. But when it came to the crunch they did not have the guts to really tackle the problem.

Yes, Mr Speaker, the Auditor-General's report reveals much. There are two reports down and there are two to go, and the Government is certainly on the low at the moment. It should surely resign now, but it is getting near the end of its reign, so the people will judge very soon. I feel sorry for some of the backbenchers on the Government side, particularly the members for Albert Park, Henley Beach and others. They will pay the price for this with their seats. I am sure they did not have a lot to do with it, and these are the people I feel sorry for. I am sure they were not directly involved, but they are going to pay the price. The people will judge, and they will judge very soon.

The Hon. H. ALLISON (Mount Gambier): There is obviously an air of predictability about the speeches from both sides of the House. Obviously, this is an issue which is absolutely critical to the future of the Government, but it is even more critical to the future of the people of South Australia who have by all accounts—from the royal commission terms of reference Nos 1 and 2 and from the Auditor-General's report—been sadly let down by a wide range of people. The thread from this side of the House is, as I said, an obvious one. It is that we seek, and I believe quite properly, to link the Government inextricably with the

\$3.15 billion deficit which the State Bank has incurred, while the Government is now quietly trying to efface itself from the scene. The Premier's I thought almost too softly modulated words in his opening address today, by virtue of the fact that they were so calm, seemed to me to be ineffectual, dispirited and really an unenthusiastic defence of the indefensible, because the Premier knows, as do all members on the Government benches, members on this side and the public of South Australia, that the Government is guilty as charged, even if it is a shared guilt.

The Government is guarantor for the people of South Australia as backer of the State Bank on behalf of literally hundreds of thousands of people who might never have invested in the State Bank in any way. The Government has, nevertheless, forced every taxpayer, every resident of South Australia, into a state of indebtedness. Each and every one of us is responsible for the State Bank's huge deficit. As members have said repeatedly, it is South Australia's greatest disaster, and that is allowing for the significant disasters that we experienced at the turn of the last century when we were struggling for gold, when copper brought some salvation to us and when the banks also had a very rough time. This really beats everything.

The Deputy Premier's contribution was one of denial and defiance—no contrition, he was really cocking the snoot at the people of South Australia, scorning the people, and his only defence was to try to ridicule members of the Opposition for what he perceived as a lack of solidarity. If that is the best he can do, he might as well retire before the next election and take the whole of the Cabinet with him, because that tactic will not work.

Former Premier Bannon defended his Government's inactivity, and really his words belie his actions, because he is the self-sacrificial lamb who knew then—and now we all know that he knew—of the indebtedness of the State Bank, of the parlous condition the bank was in in 1989, 1990 and 1991. It is interesting that there was a sort of a tenuous and weak defence of the erasure of some of the State Bank Board's minutes.

Mr D.S. Baker: He'd been doctoring the minutes.

The Hon. H. ALLISON: Well, yes, doctoring the minutes, as the member for Victoria says. The honourable member is a man who knows exactly what the Premier is about, because he was vitally involved in exposing the inactivity of the then Government. It is significant that the Government, under the then Premier and Treasurer, forced the pace of the State Bank, forced the quest for ever-increasing profits, and not only that but froze interest rates on housing before the 1985, 1987 and 1989 State and Federal elections—actions which were absolutely alarming in their implications for democracy in South Australia. The Government really clung tenuously to office on a handful of votes when, had the true story been known and had those interest rates not been frozen, a Liberal Government would have been returned on two out of the three occasions at State level and on the other occasion at Federal level. Deception at its very worst!

Of course, the former Premier's colleagues were eloquent with their silence. They did not defend him, they just dumped him. They were quite happy to see him

go to the back benches, and I believe they are still embarrassed by his presence among them. Government members appear, in every contribution I have heard from that side of the House, to be avoiding responsibility, and they are trying to isolate the royal commission's two reports from the Auditor-General's report, which cannot be done. The terms of reference for each of those three reports are different, and they will have to be read conjointly, because they are inquiries into one and the same theme, the State Bank debacle. They are each different, but they must be conjointly read; they are a conjoint examination, and the findings, of course, are integral.

One word to which I have constantly referred is the definition by Commissioner Jacobs of 'Government', and by 'Government' he refers not only to the Premier, the Treasurer, but the Cabinet, the backbenchers, all members sitting on that side of the House and the senior officers throughout Government departments, and he widened it to include any employees. Very significantly, each time he referred to 'Government', when one recalls that the buck is ultimately borne by the seniors in any organisation—or should be if there is any honour around—then by 'Government' Commissioner Jacobs' report repeatedly, in terms of reference 1 and 2, and the Auditor-General's report refer to the Government as being integrally and inextricably involved in the State Bank problems and in the decisions that were made.

It is not only the appointment of the board and of the General Manager to which I repeatedly referred in all those reports, but they refer also to the failure to remove those various officers, the board and the administration. There is criticism of failure, of inactivity, both by word and by inference. One has to ask the question which everybody in South Australia is mouthing constantly: what was the South Australian Government doing?

The Opposition, as the member for Coles has pointed out—and she has the *Hansard* readings to prove what she said—raised this matter early in 1989 at great length and continued to raise it over the period: Leaders of the Opposition and members of the Opposition repeatedly asked hundreds of questions on the matter. The business sector of South Australia was bruited it abroad that the State Bank and other State financial institutions were in diabolical straits, yet where was this Government? Collectively and individually, why were questions not asked? If they were asked, why were they not taken up by the Premier and Treasurer and his Cabinet? We warned the Government hundreds of times; the Treasury warned the Government; Messrs Simmons, Hartley and Prowse are reported and claim to have warned the Government repeatedly.

It really is amazing that so many members on the Government benches managed to be so deaf and so inactive for so long. How could they ignore so many alarm bells? Where were they? The former Premier has said—today, in fact—that he was afraid of creating a run on the bank, but the bank was guaranteed—by the people of South Australia. The bank was already in its death throes, and if there is a fear of activity which could have at least partly corrected the situation I would suggest that people of that calibre should not be in control, because action, decisive swift action, is what is demanded in situations such as that—especially when the people of

South Australia are backing the bank, and the Treasurer, the Cabinet and the Government are trustees of the bank for the people of South Australia.

As I said, it was a Government greedy for increased profits, a Government anxious to protect its position in two State and one Federal elections and prepared to freeze interest rates purely for political reasons, because they were increased very soon after the elections. Despicable action! The Government failed. It failed to strengthen the board—and if there is any suggestion that those are my words, I simply point to the words of a wiser person than I, who said:

The Treasurer was advised of, but did not respond to, the need to strengthen the board. . . The board, despite its own doubts and scepticism about specific proposals from time to time, drew comfort from the uncritical support of the Treasurer and Treasury for the rapid growth and expansion of the bank, and generally from Government endorsement and approval of the bank's policy and performance. . . Mr Bannon's enthusiastic public support and endorsement of Mr Clark hampered the power of the board to take remedial action. . . For many of these matters, Mr Clark and the board must accept responsibility—not forgetting, however, that the bank's expansion, by acquisition or otherwise, was uncritically approved by the Treasurer. . . the possible conflict between the concept embraced by the former Treasurer [Treasurer Bannon] (and at least initially by his Parliamentary colleagues)—the members of the Government benches, all of them, collectively, by definition—

of a State Bank competing with the private banks as an independent commercial entity (described by learned counsel for the Government as 'autonomous'), on the one hand, and on the other hand the financial responsibility of the Government as owner and guarantor of a bank which has full accountability to Parliament.

Another series of quotations shows that the relationships between the bank and the Government were characterised by the following:

- . the reluctance on the part of the Treasurer to exercise the powers available to him;

- . an unjustifiably narrow view of those powers in order to accommodate a political perception of the bank's independence;

- . a failure on the part of Treasury to respond, or react with sufficient vigour, to the poor performance of the bank as it became increasingly obvious, a failure arising in part from the Under Treasurer's perception of the Treasury role desired by the Treasurer;

- . the uncritical supply of capital to the bank by the South Australian Government Financing Authority without the capacity to assess the quality of the bank's assets and lending policies or to monitor or ascertain a level of growth that in fact far exceeded the bank's own forecast and approved strategy;

- . the failure of both the Government and the bank to adequately address the question of what the Government needed to know in order to protect its guarantee and investment. . .

Then we have a really telling quotation, as follows:

The commission does not seek to resile from or qualify these conclusions . . . but the First Report made it clear that all parties to the previous unsatisfactory relationship—

I emphasise 'all parties'—

were answerable for their respective roles and played a part in the ultimate fate of the bank.

I stress that the Government guaranteed the bank for the people and the Government was greedy for ever higher,

even if spurious, profits, and they were spurious as we all know.

Those points have to be read in conjunction with the Auditor-General's report. They damn the Government. One member on the Government benches implied that the State Bank Act was adequate for the purpose. The bank allowed an auditor to be appointed. Section 25(1) provides that the Governor could appoint the Auditor-General or some other suitable person to make an investigation and report. The same member opposite asked, 'What would you have done?' I simply point out that, when my parliamentary colleagues and I on the Public Accounts Committee were investigating the accountability of Government institutions, in our final report we made no recommendation on one count, and that was with regard to the accountability of the State Bank. However, we agonised for some time within that committee.

My preference was to have the Auditor-General appointed to look into the bank straight away. That is what I would have done, but I deferred to my colleagues. I did not put in a dissentient report because there is no provision for that under the Public Accounts Committee's terms of reference. All I did in the circumstances was to have a dissentient minute recorded, of which I have a personal copy, expressing the fact that I would have preferred the Auditor-General to have gone in to audit straight away. The committee agreed to look at that proposition again in 12 months, but then all hell broke loose.

The then Premier and Treasurer was drawn like a reluctant bride to the altar of the royal commission and there was the Auditor-General's report, so things were under way before that inquiry could be put into effect. My answer to the honourable member is that that is what I would have done. That was my preference, even before the royal commission was appointed. I commend the Auditor-General's report to the people of South Australia as a damning indictment of Government inactivity and as a report which has to be read in conjunction with the royal commission T1 and T2.

Mr BLACKER (Flinders): The motion is that the report of the Auditor-General on the investigation into the State Bank of South Australia be noted. That motion is purely a vehicle to enable debate in this House and for members to express an opinion on the report. I note that there has been considerable debate on the Royal Commissioner's two reports thus far. In all, it makes a very sorry story and is a reflection upon those who are involved in the administration of the bank and its subsequent implications for the people of South Australia.

About two years ago I can well remember question after question after question by the Opposition to the Government of the day about the affairs of the State Bank and some of the stories that were emanating, after falling off the back of a truck, were brought to the attention of this House. The Government of the day consistently rejected those questions. It abused the Opposition, saying that it was disruptive of State affairs and all sorts of other allegations. Unfortunately, how right those questions were and how wrong was the Government in failing to answer them at that time. Had

it done so, it may have saved the people of South Australia billions of dollars. It is clearly a situation of not acting quickly enough when the danger bells were starting to ring.

Many people do not yet understand the gravity of the situation and the extent to which this debt will impact upon the people of South Australia. Many people would know that from a local government point of view and a rural point of view—I am referring to cereals, grains and vineyards—the last harvest period, with the excessive wet, was the worst natural disaster that South Australia has experienced, with estimated debt and damage to those industries collectively of \$279 million. Let us put that in some sort of context. The worst natural disaster that South Australia has experienced was a mere 8 per cent of the worst man-made disaster created by the State Bank. When we compare that sort of magnitude, it starts to drive home just what we are up against.

The Auditor-General's report was very scathing of the management of the State Bank. I do not think that any of us could claim to have read all 12 volumes cover to cover, but most of us have been able to go through the report and wonder in amazement how the management of the bank could get into such disarray, bearing in mind they were high salaried officers. That is another matter that really begs the question. The report lists the last three years salaries of the top 12 officers. One officer went from a \$187 000 package to a \$293 000 package and then to \$410 000 in three successive years.

I point out that the annual increase to one salaried chief executive of that bank is probably the lifetime debt of some of the farmers who are being pressured and pushed off their land. That is the obscenity of the whole scenario. Here we have an instance where one year's salary is double a farmer's lifetime debt, and that farmer is being pushed off the land and facing financial ruin. What is happening to those officers who have effectively lined their own pockets by way of salary 'packages'? In some instances people were assisted with the purchase of two motor vehicles, and there were all sorts of other benefits, generally speaking, at the expense of the South Australian taxpayer.

How can you blame the farming community and the small business community for being very irate when they are facing exceptional circumstances primarily brought about by adverse seasonal conditions, adverse marketing conditions and adverse financial costs by way of high interest rates? How can you blame them for being hurt and, in some cases, vindictive about a financial institution which has effectively gone its own way with little or seemingly no responsibility in the proper management of its affairs? It is wrong.

Each and every one of us as members of Parliament do, from time to time, travel by taxi. If you ask the taxi driver about public opinion in respect of the State Bank disaster, on almost every occasion they will turn around and say, 'If you or I did that we would be in gaol for just a fraction of that amount of money.' It seems to be the bigger the people are and the higher up they are ranked the more they seem to get off. I hope that the Government or this House makes sure that those persons who have brought such devastation to so many people throughout this State will not get off but at least be brought to bear for some of their mismanagement.

A question has been asked about the Government's role in this. I do not wish to go on much more and repeat what has already been said, but I believe that this is a test of the Westminster system. We know that under the Westminster system Ministers and the Government of the day should take responsibility for their actions. I know that just 20 years or so ago if a junior officer in a department made a mistake then the ultimate responsibility was carried by the Minister. We do not have to go very far back in history to recall some of our Federal colleagues being replaced and in some cases forced to resign from Parliament because of actions that occurred within Government departments. I know that a former Minister for the Navy was certainly put out of Parliament when an accident occurred at sea. We cannot blame the Minister for that accident, but at least he took the responsibility for it and showed what the Westminster system is really designed to do and to make sure that it worked properly.

When all the questions were being asked about the State Bank in this Parliament I can vividly recall that it was alleged that files were being shredded. We have only to go through the Auditor-General's report to find that several of the allegations cannot be substantiated for the lack of documentation. I think that again verifies the fact that the statements were made, people were observed to be shredding files and in reality we now find that some of those crucial files are missing. That is again something which is of concern to me.

Many of the issues that will no doubt be repeated time and again have been mentioned this afternoon and this evening. I note that there is a move to amend the motion with a series of subclauses which I agree with. I only hope that the House will give due recognition to those factors so that this House can at least demonstrate that it is concerned about what has happened and does intend to take appropriate action. We will be awaiting yet another report from the Royal Commissioner, and I think that in itself will add further to the saga of the State Bank. More particularly, I think that everyone will be waiting to see what action is taken against those officers who, in the opinion of many, have infringed or abused their power of privilege. I support the motion as it stands, but I hope that the amendment is successful.

Mrs KOTZ (Newland): The royal commission report and the Auditor-General's report into the State Bank of South Australia are a dramatic indictment of the Government of South Australia. They are a dramatic indictment of the Executive Government of South Australia, which includes all Ministers who were part of the Bannon led Government and are now in the Executive of the Arnold led Labor Government. It is an indictment of all those who sit on Government benches, who knowingly refused and indeed most diligently refused to take any action, either by deed or thought, that would have averted the tragic and devastating \$3.5 billion State Bank losses.

The series of reports clearly make the point that the Labor Government of the past decade coveted the role of Government to the exclusion of any responsibility to the welfare of the people of South Australia; to the exclusion of any responsibility by the Government to be accountable to the people of South Australia; and to the

exclusion of any responsibility for the economic viability of the State of South Australia. The abdication of these responsibilities has doomed this Government to be recorded in history for all time to be intellectually bereft, ethically corrupt and morally corrupt. Those assertions have indeed been verified.

Each time Premier Arnold rises to his feet in this place to deliver a response to the commissioner's report or in fact to the Auditor-General's report those assertions are again seen to be verified. The arrogance and indeed the ignorance of such a shallow and incorrect presentation by the Premier has left me quite incredulous. Again and again the House was subjected to misleading information. The Premier, classed as the intellectual new Messiah and Leader of the State, has proven himself to be nothing more than an apologist for the very Government he now leads, and any attempt to sidestep acceptance of responsibility only highlights that the mould of the disgraced Bannon led Government has not been broken and the Arnold led Government rises in the same image. We recognise the same faces, the same players in this Government. We now fully recognise the same mind set in the Premier's defensive and totally unacceptable rejection of the umpire's findings and decisions.

Premier Arnold's initial responses were presented in a 20 page document. Twenty pages of selective comment from the commissioner's report, which was interspersed with attempted justifications which on the one hand condemned the previous Treasurer and on the other hand attempted to shift blame to everyone else but the Treasurer and this Government. In fact, on page eight of the Premier's initial response the Liberal Opposition was mentioned in a spurious attempt to suggest that all members of Parliament misunderstood the legislative intent of the State Bank Act, presumably to imply that a misunderstanding shared spread any blame for the ensuing State Bank debacle across the political board.

This presumption by Premier Arnold was then used as justification and supporting argument for the claim that the arm's length approach to the State Bank taken by this Government was supported by the Opposition during the State Bank Act debate. The Premier chose to ignore the vast difference between Government intrusion and Government obligation—Government obligation to protect the Government guarantee and therefore the legitimate pursuit of protecting tax payers' money. This is reiterated by the Commissioner on page 183 of his report, where he states:

There is a fundamental flaw in that concept, which fails to recognise that:

He goes on with a series of dot points, as follows:

The bank was a semi-government authority within the meaning of the Government Financing Authority Act 1982;

The bank was dependent upon the Government for its capital needs;

The State had rights and an ultimate obligation as guarantor of the bank's liabilities;

The Royal Commissioner then states one of the most fundamental observations, as follows:

In accordance with constitutional principle, a statutory authority required to act in the public interest and using public funds is subject to ministerial direction.

He finished that little series of dot points by also stating that the bank and the Minister are accountable to

Parliament. If that is not clear enough for the Premier and the Government to understand, the Royal Commissioner also went on to state (page 46):

To limit the powers of the Government in deference to the concept of the commercial independence of the bank unjustifiably distorts and to a degree negates the expressed will of Parliament. There is no reason to be found in the legislation why a commercially independent bank and a vigilant and well-informed Government cannot co-exist. To describe the bank as 'autonomous' is quite inconsistent with the tenor and purpose of the Act.

This unadulterated negligence and deliberate misinterpretation by this Government has meant that the taxpayers, in essence, have had to pay \$28 million for a legal interpretation of the State Bank Act through a royal commission, when Crown Solicitors should have been able to supply the same information to a Treasurer, Premier and Ministers of Cabinet who were paramount in directing the legislative process for 10 years in this State but who could not interpret their own legislation.

When the Minister of Finance addressed this matter, he chose to denigrate the commissioner's report and sought to protect the role of 13 Ministers of the Executive Government by suggesting that they could not be expected to run around asking relevant questions. It has also been suggested by all speakers from the Government side, when addressing the commissioner's report, that the bank either refused to provide or did not provide adequate information to the Government. That is a further misconception, which has been totally disproved by the commissioner's report and by the evidence of the royal commission. The Minister of Finance and his 12 Ministers did not need to run around.

The bank itself appears to have recognised that the Government did in fact have a part to play. Transactions between the bank and the Government revealed that, from the bank's point of view (in the commissioner's words) 'did not seek to distance the Government from access to information relating to its activities, other than confidential client information and, curiously, information about its executive salary structure. Indeed, Mr Clark was quite prepared to provide information to the Treasurer.' The commissioner also states in support of those comments that the bank wanted to have the Government's approval of and its support for any significant proposed decisions on a wide range of matters. He concludes those responses by saying:

It was positively responsive to the comments of the Treasurer and Treasury on a range of issues.

The significance of the bank's willingness to cooperate seems not to have been fully comprehended by the Treasurer and Treasury. On page 48, part chapter 4 of the commissioner's report was concluded with the following words:

The Treasurer and Treasury would have been wiser to inform themselves rather than simply learn what the bank chose to tell them. They could have arranged to do so without intruding on the bank's commercial role, and unless they did so, they could not properly discharge their statutory responsibilities. The commissioner further states (pages 20 and 21):

The Treasurer's perception of section 15 (4) as merely a reserve power was misconceived. The Treasurer did not want to know the condition of the bank and did not seek or wish to be regularly briefed by Treasury officers on the operating reviews

or profit plans or strategic plans supplied to Treasury from time to time by the bank.

Some incredible distortions have been presented to this Parliament relating to the responsibility of the Government and the Treasurer's role set out in the State Bank Act. The current Premier can no longer fudge with further distortions on this imperative State matter. The royal commission report belies all the distortions disgracefully stated in this place by Labor Premiers, both past and present, and none more clearly stated than by the Royal Commissioner on page 19. At section 4.2, he states:

The State Bank Act, as adopted by Parliament, gave the Treasurer or Parliament significant powers to influence and monitor the bank's activities.

The commissioner went on to further point out that the appointment of the board by the Governor on the advice of Executive Government (section 7) was also part of its powers. The intervention of the Treasurer in matters of policy or in relation to the administration of the bank's affairs was covered under section 15 (3) and (4). The power to approve and, by necessary implication, to disapprove the acquisition by the bank of an interest greater than 10 per cent in other commercial entities can be found in section 19(7). The provision of capital loans out of monies provided by Parliament can be found in section 20.

The power after consultation with the bank to impose a charge for the Government guarantee can be found in section 21(3), and the power to determine the flow of profits to consolidated revenue is itemised in sections 22(1) (b) and (2). The power to appoint the Auditor-General or some other suitable person to investigate the operations and financial position of the bank is suitably covered in the State Bank Act under section 25. There is significant power to influence or monitor the bank's activities. We are talking again of the Government's obligation to protect taxpayers' money. It is undeniably set out in the State Bank Act. To deny that such powers existed, or that they were unknown, is tantamount to culpable negligence.

The argument presented by Premier Arnold that intrusion into the bank's affairs was seen as unwarranted intrusion is both naive and blatantly untrue, and basically it is nothing more than unmitigated political clap-trap, which is contradicted by the fact that the Government did intrude into the bank's affairs. The Government intruded savagely and unlawfully into the bank's affairs. I refer again to page 19, section 4, of the commissioner's report, as follows:

The Government sought to portray the bank, and the bank desired to be publicly portrayed, as a commercial entity at arm's length from the Government but, from the very beginning, there was from time to time Government involvement and influence in policy and decisions of the bank with the ready acquiescence of the bank.

The Government's unethical manipulation of home loan interest rates, designed to buy favour with the voting public of this State, was a glaring example of this Government's cessation of its arm's length approach for political gain at taxpayers' expense, which again is highlighted in the report from pages 256 to 296. In two footnotes on page 296, the Commissioner stated:

There is clear evidence before the commission that, in media statements and electoral advertisements, and propaganda prior to the election, it was the Government that claimed credit for holding down interest rates.

The second and last footnote states:

The manner in which the compensation to the bank was agreed and paid can only be described as surreptitious. The bank itself had stipulated no publicity, and the manner in which the payment was made was such as to minimise the risk, whether or not intentional, of public disclosure of the arrangement. The Commissioner clearly identified the Government's motives, and on page 19 at section 4.1 he states:

The Government, on some occasions, sought to derive political advantage from such involvement.

There are many other examples, and a further example of what can only be classed as collusive favouritism is also noted on page 157. The Commissioner refers to Beneficial Finance and states:

It can be seen then that BFC was being treated differently from, and more favourably than, other such enterprises then trading in South Australia. This was not an 'arms length' approach, but one reflecting a close 'family' relationship. Yet again, the inconsistency of the Government's position seems to have been influenced by the 'bottom line', namely what effect will there be on the potential flow of funds to the Government. This approach is not consistent with, or dictated by, the proper exercise of the Government's powers, functions and responsibilities under the State Bank Act.

I do not believe that any interpretation can misinterpret those totally complete, straightforward statements by the Commissioner, who puts it more succinctly than any other statement made in this House. These are two of many stated examples that show that the referee's decision is that the Government of this State is guilty on all counts as far as the loss of \$3.5 billion of taxpayers' money is concerned.

The two examples that I have just given can hardly be interpreted as the arms length approach which Ministers of this Government, including the Premier, have continued to provide as an answer—an answer which cannot be considered. The whole State Bank debacle from beginning to end has exposed the ruthless arrogance of a Government not fit by any standards that relate to honesty, integrity or any regard for the taxpayers of this State. In admitting its abdication of responsibility and accountability for the loss of \$3.5 billion of taxpayers' money, I believe this Government forfeits the right to govern, by the very abdication of those responsibilities. I support this motion.

Mr MEIER (Goyder): I support the amendment. The sum of \$3 150 million is hard to comprehend, yet it is a sum that is with us as a debt in this State. It is the biggest financial disaster in this State. On a *per capita* basis, it can easily be argued that it is the biggest financial disaster to face this country of Australia—a horrible situation to be in and a situation that the Government should never have been in, for a couple of very fundamental reasons. The first is that the Government should have seen what was going on, as the Auditor-General's and the Royal Commissioner's reports identify. If the Government was too stupid and inept, at least it should have taken note of more than 200 questions that the Opposition continued to put but, in its

arrogance and in its conceited way, the Government continued to stonewall and refused to answer.

Unfortunately, we did not get the answers we should have got, and the Government was not prepared to acknowledge that any problem existed, so now the poor citizens of South Australia—those who do not have the opportunity to leave this State and go elsewhere, and we know thousands have taken that opportunity—are left with this massive bill. We have had over four years of intense questioning, yet the Government still will not accept responsibility.

Let us be quite honest: the Opposition was in a catch 22 situation for some of this time. I remember that before 12 February 1991 constituents of mine asked me, 'Why is the Opposition continually questioning the Government about the State Bank? You are starting to undermine the State Bank; you should lay off.' I put the various reasons and I said, 'Our information is such and such; we believe that the State Bank is not in a sound financial situation. We believe the Government is not coming clean.' I know that some of my constituents perhaps did not believe me. That was one side of the situation. On the other side, after 12 February 1991, some constituents asked, 'Why didn't the Opposition do something about the State Bank? Why weren't you questioning the Government? Why did you allow it to get to this situation?' So, it shows that we could not win. Of course, we had been questioning, but we had not been getting the answers. It is obvious that on many occasions perhaps the reports in the press did not go far enough and that people were simply not aware of what the Opposition was seeking to do.

The other day, when I was travelling from Port Wakefield to Kadina, I got my wife to drive while I checked through some correspondence. I was not able to sign any of that correspondence for most of the trip, because the roads were too rough. A similar experience occurred a few weeks earlier, when my wife drove from Yorketown to Maitland; my signature went completely off-skew because of the roughness of the road. I said to my wife there and then, 'You know, here is another indictment of the State Government; here is another classic case of the State Bank's causing these roads to remain in the state they are in for the foreseeable future.' I can cite road after road in my electorate, be it sealed roads that are very rough or unsealed roads that need sealing, and it all comes back to the massive waste of this Government through the State Bank.

I could cite the situation of one young mother who has four children and who lives at Point Turton, not far from Warooka. She has to take her washing some kilometres very time she wants to have the washing done, because there is no provision of water where she lives at Point Turton. A water main goes past her front door, but she is not allowed to connect onto the water because there are too many consumers already.

The SPEAKER: Order! This is interesting and of concern to the House, but I would draw the honourable member's attention to the Auditor-General's report, which I do not believe refers to Point Turton or water supply. I ask him to make his remarks relevant to the debate.

Mr MEIER: I acknowledge that the water supply is not mentioned in the Auditor-General's report. I was

about to give more examples, but I recognise that there is not time. The whole scenario of the \$3 150 million debt is examined by the Auditor-General, and he makes clear in his report that he did not see his brief as simply to investigate the role of the Government because, as members would be aware, initially the Auditor-General was due to report on these matters within six months, thereby allowing the Royal Commissioner to take into account the findings in preparing his reports. Hence, in the context of Government responsibility, the Auditor-General's report was essentially intended to provide information about the performance of the board and bank management as background, where relevant, to an assessment of what the Government did or did not do.

I think it is imperative, as many members on this side of the House have pointed out, that we do not consider the Auditor-General's report only in isolation: it is there to be read in conjunction with the first and second reports of the Royal Commissioner, and so many things can be highlighted. I know that members have taken a lot of time in identifying many of the factors, and I will identify just a few key factors. First, we see that the growth in the bank was uncontrolled. The State Bank Group assets grew from \$3.14 billion at 1 July 1984 (the merger date) to \$21.4 billion at 30 June 1990. That was a growth of some 572 per cent, and it outstripped that of all other Government owned and private banking organisations in Australia during this period. Surely, that in itself should have caused some investigation into how the State Bank of South Australia, in a State removed from much of the commercial activity, was managing to out-perform every other bank in this country.

We noticed that the percentage that went to housing loans decreased from 62.5 per cent in 1984 to only 22.8 per cent in 1990, and then we saw the real, bad debts starting to appear. We note that outstanding loans to Adsteam were just under \$300 million at December 1989, and we note further that the bank's total exposure to the Remm project could be at least \$744 million, with a loss of more than \$400 million.

We note also that some 35 per cent of the bank's loan portfolio was with overseas borrowers. As at 1991, 62 per cent of the bank's non-accrual exposures were in other parts of Australia and overseas—62 per cent of the bad debts were out of this State. Whilst we can look with sorrow on the REMM exposure, at least we have bricks and mortar standing in this State. No-one can take that away from us. In the end it will still serve as a valuable asset. But, the 62 per cent of the bad assets that are out of this State are lost and gone forever. We can never hope to get any profit back from them. It is a total disaster. The Royal Commissioner reported that if the Government had questioned this growth from as early as 1985 the disaster could have been avoided.

There is so much in the Auditor-General's report that a brief 10 minute speech cannot hope to do it justice. What I have tried to do is identify through reference to roads, water, hospitals, schools, Housing Trust homes and so on that so much could have been done for this State now and in the future that will not be able to be done probably for the better part of a decade if not two decades. Our children will suffer this debt when they start taking over the positions of responsibility. It is a tragedy that this State did not have to have.

The Opposition sought to do everything in its power and it was ridiculed for doing it. It was lambasted by the Government for trying to avoid the horrible mess we are in. Unfortunately we were not successful, because of the arrogance of this Government. The Government needs to take full responsibility. The time is coming when the people of this State will judge them, and I hope that they will judge them very severely.

Mr OSWALD (Morphett): The Auditor-General's report and the royal commission report highlight a situation which has gone horribly wrong. We have a State which has been misled, mismanaged and misgoverned. The royal commission reports set out the facts, and the Auditor-General's report has confirmed those facts. The present Premier can twist and weave all he likes, but the facts are that the public record now shows that the Government appointed the board of the bank, that the Government was regularly briefed on the impending disaster and that the Government did nothing, through then Premier Bannon who sat on his hands seduced by Mr Marcus Clark. His colleagues in Cabinet also sat on their hands and did nothing. The majority of the Ministers in this new-look Arnold Cabinet are the same Ministers who sat there through the Bannon Administration receiving advice, from 1989 onwards, and then chose to do nothing about it. They were seduced, if you like to use that expression, by the then Managing Director, Marcus Clark, but, at the end of the day, did nothing while tragedy descended on this State.

From reading the Auditor-General's report, there is now no doubt that the Government is responsible ultimately for the tragedy. It is not the board or the Managing Director, and not even Mr Bannon, as the Government wants us to believe, but the whole of the Government—the Government that put the board there, the Government that watched the tragedy unfold and the Government that had the power if it wanted to use it to remove the board.

The paralysing State debt created by the bank has spread despair far and wide throughout this State, yet the Labor Government continues to deny the bank board's link with and knowledge of what happened. I think that that is what is making so many South Australians out in the wider community very angry at the moment. They are not fools; they know what went on. To see men and women who purport to be intelligent people trying to convince the public of what they believed the public should believe rather than what the public know I believe is an insult to all South Australians.

The net result is that we now have a bank which has created a situation where the State is now technically bankrupt. It is a serious situation and one which is generating much anger around this community. It has been fascinating to see Labor members opposite trying to distance themselves from the economic reality that they have created. But for the Auditor-General's report and for the two reports that came in from the royal commission they probably would have got away with it. Indeed, the record is now there for us all to see.

Let us look at the aftermath of the tragedy that unfolded because the Government would not accept and publicly acknowledge what was going on and then do something about it. We have seen the drift of talent and

money away from this State. We have seen wages in this State not rising anywhere near what they are elsewhere in this country—a slow growth in wages. At the same time we have seen taxes rise because of the impact of the bank; and we have seen the rise in salaries being swallowed up because of the imposition of taxes and charges as we now have to cover the costs of the bank. We have seen the population stagnate.

The average age—and it is an interesting figure—in this city is 36 years. That is the highest average age in the world: 26 years is about the average age for a city. Adelaide is 36 years, which is right at the top and which is a fair indication that young people are moving out. We have high unemployment and a structurally weak economy which will always be linked to the tragedy foisted upon this State by the Bannon Administration.

The Auditor-General now has confirmed the words of the first and second royal commission reports, that this Government sat on its hands, ignored advice, did nothing and resisted any attempts to try to get rid of the Managing Director. That same Leader, who claimed for those 10 years to have had drive and vision, has now been proved by the Auditor-General's report to have lacked drive and vision. That group of Ministers who sit on the front bench now are the same Ministers who sat with the now discredited Premier Bannon when the tragedy struck. They received advice regularly, but they chose to do nothing. It is the same Cabinet Ministers who are sitting there now and who have to accept responsibility for what went wrong in the bank.

The *modus operandi* of the bank in its acquisitions were fraught with disaster from the beginning, yet that group of Ministers opposite—as I keep saying and will continue to say here and in my electorate—sat back and, despite the warnings, just let it happen. Sir, you will remember Oceanic and the United Building Society of New Zealand—names that come back to haunt us all. These were the two largest acquisitions of the bank.

The Auditor-General has reported that Oceanic was purchased in early 1988 for \$59 million, when it had a net tangible asset backing of only \$6 million. I refer to chapter 1, page 83. This business contributed a net loss of \$83.3 million to the State Bank Group in 1990-91. On page 15 of chapter 16 of his report, the Auditor-General reported that a substantial amount of the post-acquisition losses incurred could reasonably have been anticipated by adequate and due diligence prior to the acquisition. In other words, if supervision had taken place and if the board and the Government had carried out their roles, we could have avoided the tragedy that was starting to unfold and certainly as it applied to Oceanic.

As I said a minute ago, then there was the United Building Society in New Zealand, where the Government gave approval—I emphasise, the Government—for the purchase in May 1990 when it was clear that the bank was already in serious trouble. We are talking about the year 1990. The Government gave approval for the purchase of the UBS in New Zealand, when it knew that already at that stage the Opposition had raised the matter on many occasions by means of questions in this House—at the end of the exercise, 200—odd occasions—but they knew that the bank was in serious trouble. On this, the Auditor-General reported that the UBS was purchased for \$150 million, while the due

diligence was itself half completed. I refer members to chapter 1, page 24.

The UBS incurred a loss of \$123 million in 1991. This was in 1991, well after the period of 1989 when the Opposition was questioning the prudence of the bank's large corporate lending as a result of the collapse of Equiticorp, the National Safety Council and the Hooker Corporation—all companies which I think we need to be reminded about (because one tends to forget them in this long saga of the State Bank), all tragedies in their own right, but all tragedies which could have been prevented if we had had a Cabinet which did its job.

Sometimes it is interesting to look at that Cabinet and its composition to see what a lack of business acumen it had—it presided behind ex-Premier Bannon—and then be reminded that it is the same group of Ministers that are running the State now. One wonders what will be the next tragedy to befall us if their track record is such as it was then. The Auditor-General reported that the bank's exposure to the Return project could have reached \$744.2 million by March 1992. That is just another example, and I will not go through them all, as members are familiar with them. But on this basis the bank could be facing a loss of at least \$500 million on this project alone.

This is another example of where the Government pressed forward against advice, the bank ran with the project and a tragedy ensued. The advice was there, but at this stage in the time span the Government knew it had problems with the bank, the public certainly was being alerted to it, the Opposition knew, the advisers who were feeding information monthly back to the Government knew that they had problems with the bank, and they knew they had problems at this stage with Marcus Clark; it was very evident, yet the Government still sat on its hands and did nothing.

The House is probably saying that it has heard all these figures before, but they bear repeating because they illustrate the scenario of a bank out of control, a bank board which could not control the managing director, with a Government and a Premier who would not allow the board to dismiss the managing director—a Government presented with clear warnings of impending doom yet paralysed to do anything about it. Maybe I have used the wrong word there. Maybe they just did not know and they were so incompetent that they did not know what to do to get themselves out of trouble. Maybe they were blind. Either way, the warnings were there. The Auditor-General's report now confirms the reports that came through to us from the Royal Commissioner.

I would like to refer briefly to a couple of quotes straight out of the Auditor-General's report highlighting the Government's attempt to blame management for the uncontrolled growth in the bank, when at the end of the day it was the Cabinet which had the opportunity, the ability (legally), to do what was necessary to ensure that the tragedy was halted in its tracks. The Auditor-General reported:

As a group the bank's senior managers were not up to the job. They have in varying degrees been responsible for some of the most irresponsible, reckless and imprudent decisions made by the bank.

That was in chapter 1, page 27. He concluded:

The bank grew beyond the collective ability of its management to ensure that its lending was safe, satisfactory and profitable.

That was in chapter 20, page 13. However, both the Auditor-General and the Royal Commissioner have pointed to information that was available to the Government showing that the bank's management lacked the ability to prudently manage rapid growth. For example, the Auditor-General reported:

...the need for an effective system for controlling group-wide risk which was recognised from 1985, when the objective of establishing such a system was included in the 1985 strategic plan. There were repeated references to this need over the following three years. Despite this, no action was taken to implement centralised monitoring of the group's credit risk exposures until September 1988.

That was the stage when the Opposition was starting to highlight to the public of this State that an enormous problem was surfacing. The report goes on:

The inadequacy of the bank's industry exposure reporting was clearly apparent from the monthly operating review provided to the board of directors—
that was also available to the Government—

It should have been clear that the bank was growing at a rate which exceeded all planning. The growth should not have been allowed to continue in the absence of support from appropriate systems and procedures.

As noted above, the Government received the annual strategic plan and the monthly operating review in which weaknesses in bank management were exposed.

That starts to hone in on the knowledge that was available to the Government, its weakness to do anything about it and the reasons why the Government cannot keep standing back and saying that the buck stopped with Premier Bannon and everything is all right now. In fact, the same Ministers are there, the Premier has stepped to the back bench, but the Minister who has assumed the mantle of Premier of the State is as much to blame as are the rest of his colleagues. I conclude with one final quote:

In concluding that the bank's 'growth outstripped the capability of management to handle that growth' the Royal Commissioner also reported that by mid-1987 'there was a growing body of evidence available to and known, or provided to, the Government to suggest that the strategy and policy of the bank, and the capacity of its management, might not justify that confidence, not the least of which was the bank's apparent inability to make and adhere to a realistic plan of growth, or to achieve a reasonable commercial level of profitability.'

The evidence is now conclusive. The Government knew what was going on but failed to take action. All members of Cabinet, to which the Royal Commissioner refers as 'the Government', knew what was going on and did nothing. The same men and women are still presiding over the State's finances. As a group of financial managers, they have been thoroughly discredited in both of the reports tabled before the Parliament. They can fool some of the people some of the time; they cannot fool all the people out there all the time.

I believe the vast majority of South Australians have seen through the attempts of this Government to lay all the blame back on ex-Premier Bannon. The people of this State understand that the Bannon Cabinet and the Arnold Cabinet are one and the same. That is certainly

being reflected in the polls indicating that the Liberal Party is now about 19 points ahead of the Government. It is patently obvious why: because the people of this State will not be fooled.

It is about time the Government put the people of this State out of their misery, went to the polls, faced the people and let the people decide who they want to govern. We have a Government now which is discredited. The people do understand the realities of what has happened out there. They know that their families and their families after them will be paying for this tragedy for years to come. We have an opportunity to go to the polls, sort it out and at least put some people into Cabinet who have had some experience in financial management and who can bring this State back into prosperity once again.

The Hon. LYNN ARNOLD (Premier): I thank members for their contributions over the length of the debate. I must say that it is most unfortunate that much of the debate, certainly from the Opposition's side, has ranged over matters not really directly relevant to the 12 volumes of the Auditor-General's report. Indeed, there seems to be yet again a further attempt to recreate what the wishful thinking of the Opposition would have to be the case rather than the facts as determined by the lengthy investigations both of the Auditor-General and of the Royal Commissioner.

I note that we have this amendment from the Leader of the Opposition, and I can advise that I believe that amendment should be opposed. It is, in fact, nothing other than another feeble attempt of the Opposition to rewrite the findings of the Auditor-General in order to justify its boring assertion that it was all the Government's fault and nobody else's. It is rather a tired line of members of the Opposition to keep on saying precisely that. They may occasionally throw a bit of a bone to the view that somebody else may have had some responsibility in the matter, but otherwise they believe overwhelmingly that it is nothing other than the Government's fault.

As the member for Ross Smith himself has said on a number of occasions, they change their tune when circumstances change. When the member for Ross Smith ceased to be Premier, they changed their tune automatically as to who was to blame. The total cynicism of their approach is quite obvious, and I think it would have served this Parliament much better had they had a much more dispassionate view of the Auditor-General's report than we have actually seen. In fact, again we have seen a calculated attempt to misrepresent the findings of the Auditor-General's report, to misquote, and to bring in other sorts of assertions and statements based upon their own beliefs rather than facts. What they have said is certainly not sustained by any reasonable reading of the 12 volumes. I do not intend to go into a lengthy re-quoting of the 12 volumes; they are there on the public record, and I am quite happy that they are on the public record. I am certainly happy to stand by any statements made in the report, and be questioned accordingly.

I would just draw some attention to some quotations that appear in the first few pages of that report, just to highlight the point. The Auditor-General says:

The bank failed mainly because too many of those loans were bad: loans that it should never have made. Growth that should not have occurred. The bank's corporate lending business was incompetently conducted in almost every respect, from the procedures used in initiating loan proposals to the approval of loans by the board of directors. There is, however, more to the causes of the bank's losses than sloppy lending. The term 'main cause' is perhaps better expressed as 'proximate cause'.

The story of the bank is one of a professionally aggressive and entrepreneurial chief executive without sufficient appreciation of the need for prudent banking controls and management; of an incompetent executive management happy to follow where their chief led without independent professional judgment; of a board of directors out of its depth and, on many occasions, unable or unwilling to exercise effective control; and, ultimately, of a bank that thrived on the full faith and credit of the people of South Australia.

I do not believe there has been much of that mentioned by members opposite in their various contributions this afternoon. I have not listened to every single speech, and I have to acknowledge that maybe one or two speeches described the facts as they were. But for those that I heard, they certainly did not say anything near that point of view. I can re-read it if members wish, but it seems to me that those paragraphs that I have just read from the Auditor-General's report are a damning indictment of the former bank management and the former board of the bank.

Mr S.J. Baker interjecting:

The Hon. LYNN ARNOLD: We come to the point about which the Deputy Leader now interjects—incorrectly, of course—that is, the appointment of the board. I have made a number of comments on that matter, and amongst those comments I have acknowledged that lessons have been learned about the ways in which boards are appointed and the calibre of people who are appointed to boards. These are not just lessons that have been learned by this particular Government or any State Government but lessons that have been learned by the private sector itself, quite significantly out of the lessons of the 1980s. Indeed, I think it was my colleague the Deputy Premier who made the comment that the second report of the Royal Commissioner will become something of a textbook in the future for those who would be directors of public corporations about the responsibilities of board members. Suddenly we see defined very clearly here, in a way that has never adequately been defined before, the kinds of responsibilities that board members ought to be fulfilling when they take part in a corporation.

The Hon. Frank Blevins: And how not to fulfil them.

The Hon. LYNN ARNOLD: Especially how not to fulfil them. One of the problems is that we had too much evidence of how they should not be fulfilled. I have acknowledged that, notwithstanding that the board that was appointed was a board that consisted half of members appointed by the former Liberal Government, of whom a number of Ministers—

Mr Brindal interjecting:

The Hon. LYNN ARNOLD: The member for Hayward says that that is not right.

The SPEAKER: Order!

The Hon. LYNN ARNOLD: That is right only in the most technical sense because, in the time of the former

Liberal Government, there was not a State Bank of South Australia bringing together the two constituent banks of the old State Bank and the Savings Bank of South Australia. So, to that limited extent only, they are correct. But the reality is that the new amalgam bank was created out of two constituent banks, and the two constituent banks had boards of directors, and those boards of directors had appointments made by the former Liberal Government, and half the names that were on the new amalgam bank came from names appointed by the former Liberal Government, who had amongst its ministry a number of people who are still in this Parliament, a number of people who are actually in this Chamber right at this very minute.

The Hon. Frank Blevins: The member for Coles.

The Hon. LYNN ARNOLD: Yes, the member for Coles, and the Leader himself. I am not sure about the member for Kavel—he was a bit of a five minute Minister at the time, but he may not have been there at the time all the appointments were made, so I pay due credit to the fact that he might not have been fully part of that process.

The Hon. Frank Blevins: He put the phones in the gaols, and the swimming pools. It is not enormously relevant.

The Hon. LYNN ARNOLD: Yes, he put the phones in the gaols and the swimming pools, and that is not enormously relevant.

Mr Olsen interjecting:

The Hon. LYNN ARNOLD: Mr Speaker, I call for protection from the member opposite.

Members interjecting:

The SPEAKER: Order! I would ask all members to come to order, including the member for Kavel and the Deputy Premier.

The Hon. LYNN ARNOLD: The point I am trying to make here, and I have made on previous occasions, is that this group of people, half of whom came from previous Liberal Government appointments, were in their own right people of some distinction in the South Australian business community. They were, in their own right, people who had earned for themselves—quite justly in many ways—credit in a number of areas. However, what happened, somehow or other, is that the human dynamics of this group did not work. When this group got together they were not up to the occasion. On many occasions—

Mr Brindal interjecting:

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

The Hon. LYNN ARNOLD: Well, in fact, wrongly but also rightly, the member for Hayward identifies that Marcus Clark, the favourite of John Hewson was, in fact, one of the reasons why the board was not able to operate effectively, because he simply did not tell them the things that they should know: he kept from them a lot of the information that they should have heard. That point is made time and again in both the Royal Commissioner's reports and in the Auditor-General's report. In addition to that, the reality was that this group of people failed to ask the questions and failed to do the sorts of things that they should have done.

Time after time, while acknowledging that perhaps the calibre of the board could have been stronger, the Royal

Commissioner himself made that point, and I have quoted those numerous instances in his reports where he says that they did have the capacity but were found wanting. Likewise, we have similar relevant quotations in the Auditor-General's report. While I have accepted before and accept again that there is some responsibility that must be accepted by the Government for the calibre of the board that was appointed and the responsibility in that respect, the more significant issues are those that are dealt with by the Auditor-General and the Royal Commissioner. In fact, I note that both he and the Commissioner find that the board of directors was the governing body of the bank charged with responsibility to administer the bank's affairs and to control the Chief Executive in his performance of his management function. He states:

A reasonably prudent board—whatever its skills ...

I make the point again that this was not a board without skills. If it had been a board without skills, I am certain that members opposite, notwithstanding that they appointed half of them to the predecessor banks to the State Bank, would have been very quick to have said so at the time. Hindsight is a wonderful thing and in hindsight they seem to make those comments, but they did not make them at the time. He said:

A reasonably prudent board—whatever its skills—would have done much more than the bank's board did. It was not beyond the capabilities of the non-executive directors to take commonsense measures, and to stand no nonsense. To be blunt, there is nothing esoteric about asking questions, seeking information, demanding explanations and extracting further details. There is nothing unduly burdensome in expecting each director, to the best of his or her ability, to insist on understanding what was laid before them, even at the risk of becoming unpopular. Both at law, and a basic sense of duty and responsibility, demand it.

They are not points that have come through very heavily in the contributions by members opposite, yet they are pivotal to the consideration of this whole issue.

The Royal Commissioner, notwithstanding some criticism of the selection and composition of the board, which I have acknowledged, also concluded that it did not require a greater level of skill or experience than the board possessed for it to discern before 1987 that there were grave deficiencies on the part of the bank's management and that the bank's lending policies and asset quality were unsatisfactory.

The point was made in the second report of the Royal Commissioner that in terms of the volume of information that should have been coming to the Government, to Treasury and to the then Premier, and, acknowledging the responsibilities that the Premier has and the then Premier certainly had and I, for example, have at this stage, a vast array of information and things has to be taken into account. However, the Royal Commissioner acknowledged that the former Premier, with all that information to take into account, was still able to ask the questions that the board itself failed to ask on a couple of issues.

Mr Brindal interjecting:

The SPEAKER: Order! I warn the member for Hayward.

The Hon. LYNN ARNOLD: A number of comments have been made in the debate this evening and this

afternoon by Opposition members—I am not sure whether the wayward member for Hayward was one of them—about alleged Government influence preventing the board from exercising effective control over the former CEO.

The Hon. Dean Brown: That is right.

The Hon. LYNN ARNOLD: The Leader acknowledges that. However, there are no findings whatsoever to this to this effect in any of the reports. Indeed, there was no evidence before either hearing that suggested any deliberate attempt by the former Treasurer or any other member of the Government to prevent the board—

The Hon. Dean Brown interjecting:

The Hon. LYNN ARNOLD: Let us come to the key point.

The Hon. Dean Brown interjecting:

The SPEAKER: Order! I warn the Leader.

The Hon. LYNN ARNOLD: The Leader is not the person to talk about having a finger on the self-destruct button. Indeed, there was no evidence before either hearing that even suggested any deliberate attempt by the former Treasurer or any other member of the Government to prevent the board from exercising its statutory functions and duties. That is a key point that the Opposition does not like to know was said or is the result of the reports. Nevertheless, that is the way that it has chosen to rewrite these reports. It is an abject falsehood and a desperate attempt to imply improper motivation and conduct against the Government and its employees to suggest otherwise.

Then there is the suggestion by members opposite rejecting the Government's assertion that the bank's former board and its former CEO 'overwhelmingly bear the responsibility for the bank's losses.' In recent times there was a one-liner in the Leader of the Opposition's press statement on the matter that tried to say that there were a couple of other people vaguely involved if one really thinks about it in a very complex way, but in fact it was just the Government. He really did try to put that in there. The reality is that the former board and management simply do bear that responsibility. No-one who can read those 12 volumes properly could come to any other conclusion.

Members interjecting:

The Hon. LYNN ARNOLD: Here we have it again. I wonder what document they had. There must have been two separate sets of documents. Maybe something odd happened here: we received one set of documents and they received another set of documents. However much the Opposition would prefer it otherwise, it remains the fact both at law and in logic that the board had the primary responsibility to administer the bank in accordance with accepted principles of financial management on behalf of the people of South Australia and for their benefit. It manifestly failed to do so.

I remind Opposition members that the purpose of today's debate was to note the published report—not to note what they would have wished the report to say, but to note what the report actually said. It is not to rehash the now hackneyed arguments of the Opposition regarding other reports that were tabled in this place, or their version of the other reports that were tabled in this place, but simply to note the actual findings. At some stage the people of South Australia deserve that proper

dispassionate consideration. I accept the fact that the Opposition wants the Government to accept responsibility for a number of these matters in relation to the bank.

Members interjecting:

The SPEAKER: Order!

The Hon. LYNN ARNOLD: The point that members opposite seem to refuse to accept is that we have accepted responsibility for a number of these points. I have indicated that in my speeches not only tonight but on other occasions. The former Premier resigned as part of the indication of that. In other matters, certain changes have been put in place and certain responsibilities have been accepted by the Government on behalf of the Parliament that passed the legislation that covered the State Bank. We have indicated our view that that legislation needs to be changed accordingly. I ask that when further reports on the State Bank come out, and there is another report—

Members interjecting:

The SPEAKER: Order! The Premier will resume his seat. Every member in this Chamber has had a chance to participate in this debate. Many of those who are interjecting now are out of order. They have had the chance to have their say.

Mr Ingerson interjecting:

The SPEAKER: Order! The member for Bragg is testing the Chair. Everybody has had a chance and a fair go. The Premier is now responding, and interjections are out of order. Let us get on with the business.

The Hon. LYNN ARNOLD: There are still more reports to be received by this Parliament. What I ask is that, when those further reports of the Auditor-General and of the Royal Commissioner come forward, at the very least the Leader, if he is still in that position, does not issue his press release the day before but waits to receive the document and then issues his statement. It would be a nice idea if he had somebody in his office read the report when he does issue the press release so that we can have a considered view of what is actually said. Then, when we have a future debate on this matter, I ask that he genuinely goes through, as will his colleagues, all the points that are made in those reports. We have missed that opportunity today from members opposite for the most part. I cannot speak for all members, because I did not hear all their contributions, but for the most part we have missed that opportunity.

One is led to the conclusion that the reason why they acted in this way in this debate today is that they do not like what the report actually says. They expected it to be a much simpler set of findings. They expected the findings to be a simple one-liner, 'The Government got it wrong; the Government is to blame.' When that did not happen they had to keep repeating that line because they had nothing else to say. They are not prepared to take on board the more serious issues involved in both the Royal Commissioner's and the Auditor-General's reports. The amendment simply is the same kind of rehashing of those stale arguments not based upon substance but based upon what they would wish to be the case, and I call on members to oppose the amendment.

The House divided on the amendment:

Ayes (23)—H. Allison, M.H. Armitage, P.B. Arnold, D.S. Baker, S.J. Baker, H. Becker, P.D. Blacker, M.K. Brindal, D.C. Brown (teller),

J.L. Cashmore, B.C. Eastick, S.G. Evans, G.M. Gunn, G.A. Ingerson, D.C. Kotz, I.P. Lewis, W.A. Matthew, E.J. Meier, J.W. Olsen, J.K.G. Oswald, R.B. Such, I.H. Venning, D.C. Wotton.

Noes (23)—L.M.F. Arnold (teller), M.J. Atkinson, J.C. Bannon, F.T. Blevins, G.J. Crafter, M.R. De Laine, M.J. Evans, D.M. Ferguson, R.J. Gregory, T.R. Groom, K.C. Hamilton, T.H. Hemmings, V.S. Heron, P. Holloway, D.J. Hopgood, C.F. Hutchison, J.H.C. Klunder, S.M. Lenehan, C.D.T. McKee, M.K. Mayes, J.A. Quirke, M.D. Rann, J.P. Trainer.

The SPEAKER: There being an equality of votes, I cast my vote for the Noes.

Amendment thus negatived; motion carried.

SOUTH AUSTRALIAN TOURISM COMMISSION BILL

Consideration in Committee of the Legislative Council's amendments:

No.1 Page 4, line 12 (clause 9)—After 'marketing' insert 'environmental management'.

No.2 Page 6 (clause 14)—After line 3 insert new subclause as follows:

'(1a) A director will not be taken to have a direct or indirect interest in a matter for the purposes of this section by reason only of the fact that the director has an interest in the matter that is shared in common with the public or the tourism industry generally or a substantial section of the public or the tourism industry.'

The Hon. M.D. RANN: I move:

That the Legislative Council's amendments be agreed to.

Whilst I have been hard on the Opposition over the years, in a spirit of statesmanship I have decided that it would be appropriate to accept this recommendation, which involves having someone on the Tourism Commission Board with an environmental bent. The Government is happy with that.

Mr INGERSON: The Opposition supports the generosity of the Government. I think there is only one issue relating to this amendment. A lot of concern has been expressed by the regional board about its representation on the new commission, and I asked the Minister to consider the role of the regional board in terms of the next two appointments to the board. Generally we support the amendment.

The Hon. M.D. RANN: Yes, I can assure the honourable member that individuals from the region will take a strong role on the commission board. That is not to say, however, that there will be representatives of any organisation, because that was never our intent or the intent of the Bill.

Motion carried.

SUPERANNUATION (VISITING MEDICAL OFFICERS) BILL

Adjourned debate on second reading.
(Continued from 31 March. Page 2787.)

Mr S.J. BAKER (Deputy Leader of the Opposition): The Opposition supports the proposition before the House. This Bill deals with an anomaly which existed in relation to the remuneration of visiting medical officers. As I understand the situation, for many years VMOs have been paid a loading on their salaries of about 10 per cent, which represents the superannuation component of their salary. Most have taken this loading in cash, and that is inconsistent with the requirements of the Commonwealth Superannuation Guarantee. The Bill forces these VMOs to become part of the VMO Superannuation Fund and to pay that 10 per cent loading into this fund or alternatively to contribute to the State Superannuation Scheme. A commensurate reduction is made to the total salary of the VMOs. This arrangement has been agreed in negotiations with the South Australian Health Commission, the South Australian Salaried Medical Officers Association and Treasury.

It is infinitely sensible. When I made further inquiries, I understood that there were no suitable schemes when the 10 per cent loading was first put in place. Many of those VMOs actually used that 10 per cent superannuation contribution to contribute to a private scheme, therefore securing their future. I do not know how this arrangement will affect those people if they have made a long-term commitment and have committed that money in a forward fashion to a particular superannuation fund, a pension scheme under private arrangements.

However, it is clear that the money has to be earmarked for superannuation; it has to be paid into a superannuation fund. It is so designated in their conditions of employment. Therefore, the Government and the Parliament have no option but to ensure that that part of the salary package relating to superannuation is actually paid into a superannuation fund. On behalf of the Opposition, I support the Bill.

The Hon. FRANK BLEVINS (Deputy Premier): I thank the Deputy Leader for his support of the Bill and the way in which he has assisted the House in getting the Bill through expeditiously.

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

ELECTRICITY TRUST OF SOUTH AUSTRALIA (SUPERANNUATION) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 1 April. Page 2849.)

Mr S.J. BAKER (Deputy Leader of the Opposition): The Opposition also supports this proposition before the House. It is not quite as simple as the last Bill we dealt with, because a number of schemes have grown up over time in relation to the provision of superannuation benefits for employees of ETSA. The Bill does a number of basic things, and it has perhaps been prompted by the Federal superannuation guarantee regarding matters that have to be dealt with in order to comply with the Federal legislation and regulations governing the provision of superannuation in this country.

The Bill seeks to make a number of changes, basically of a technical nature, to ensure that the wishes of the Commonwealth are met. For example, they include the establishment of a special non-contributory scheme. Members would recognise that for some time ETSA has been paying a benefit which is commensurate with the requirements of the Commonwealth legislation. In other words, it has been meeting the superannuation guarantee for its employees basically from the original 3 per cent to 4 per cent and now to 5 per cent.

There is a requirement under the Commonwealth legislation that a separate fund be designated for these non-contributory schemes, 'non-contributory' meaning amounts paid in by the employer with no matching contribution made by the employee. As members would recognise, those contributions by the employer have been traded off against wage and productivity benefits and are therefore seen to be part of a total package. A number of changes have had to be made to existing schemes, basically to meet the requirements of the Commonwealth legislation.

It is interesting to note that the Bill provides that there can be no assignment of pensions except for garnishee orders. This House would have to support that proposition, because we would be well aware that certain retiring people would, if they could, wish to benefit not only from their superannuation schemes but also from the pension if they could somehow shift their superannuation benefit to a friend or relative and escape the income test which applies to pensions. So, it is appropriate that we have the non-assignment of pensions but an allowance for garnishee orders if there are payments that have to be made under the Family Law Act or whatever.

It allows a little more flexibility in terms of movement between the schemes. As I understand it, there is a technical hitch with one part of the Act in terms of the date at which people could elect to join one of the schemes, but that is being tidied up with an overall coverage and reversion back to the rules of the scheme to determine how that scheme is run and how people will comply. There is a requirement that the preservation of benefits must apply. If employees wish to leave the employ of ETSA, they can take with them their own contributions plus some earnings on the fund. However, as far as I am aware, another option is to preserve their benefits and the employer's contributions in a fund until the age of 55.

The Bill reinforces the right of the Treasurer to oversight the rules that operate in ETSA and those that operate in relation to the superannuation benefits payable to employees and the way in which the scheme operates. As members would recall, ETSA superannuation was taken under the umbrella of the State scheme in order to avoid some of the implications of the taxation requirements on employer contributions that occurred when the legislation was changed and employee earnings on the fund and employer contributions were being taxed at the rate of 15 per cent. So, I am satisfied.

I have held discussions with people from ETSA and State Treasury who are more expert in this field than I. They have answered most of my questions. I have one or two that I wish to ask in Committee, but generally the Opposition supports the measure before the House.

The Hon. J.H.C. KLUNDER (Minister of Public Infrastructure): I have listened with some degree of interest to the Deputy Leader and, in my view, his summing up of the situation has been fairly accurate. I thank him for his support.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

Mr S.J. BAKER: I will relate my question to this definition clause. Some concern, if not outrage, has been expressed in Victoria that the previous Government misused contributors' funds in the State superannuation scheme. I would like an assurance from the Government that a similar situation will not arise in South Australia. Apparently in Victoria the Government paid the total benefits out of the employees' contribution, therefore effectively borrowing against the superannuation fund. My understanding is that the money that will be needed to top up the fund so that it can meet the employees' component contributions is about \$1.4 billion, and that may well have led the new Premier of Victoria to have a good look at the scheme and introduce some of the measures he has had to introduce as a result of some terrible budgetary problems. Can I have an assurance from the Government that we will not have a similar situation here in South Australia?

The Hon. J.H.C. KLUNDER: I am advised that in South Australia we have no scheme allowing such borrowing from the employees fund; nor do we intend to have such a scheme.

Clause passed.

Clause 4—'Establishment of the contributory scheme.'

Mr S.J. BAKER: For anybody who actually takes an interest in this matter, can I have a clarification in relation to paragraph (d) which deals with section 23(1)(3a)? Can I be assured that the amendment that is contained in there is related to the provision in section 43(o), where a blanket date is provided, whereas in the original Act, the dates of 1986 and 1987 have been mentioned? It should be useful to look at the various schemes; there are a number of schemes operating in ETSA, as we are all aware and, because we have some funds coming through Treasury and some funds retained within ETSA in a trust fund, it is sometimes difficult to link up all the various component parts of the scheme. In discussions that I have had with Treasury officials and ETSA, it would appear that the rules will not provide for greater benefit as a result of this change than currently exists.

The Hon. J.H.C. KLUNDER: The honourable member's understanding is correct in this instance.

Clause passed.

Remaining clauses (5 to 10) and title passed.

Bill read a third time and passed.

STATUTES AMENDMENT (COURTS) BILL

Received from the Legislative Council and read a first time.

The Hon. J.H.C. KLUNDER (Minister of Public Infrastructure): I move:

That this Bill be now read a second time.

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

Leave granted.

This Bill contains various amendments to the legislation which was enacted in 1991 to restructure the courts system and improve efficiencies in the courts. This legislation came into operation in July 1992 and experience has shown that minor adjustments need to be made to the legislation. The opportunity has been taken to include some other amendments which do not directly arise out of the operation of the 1991 legislation. The Bill also contains some minor amendments to the recently enacted provisions of the Summary Procedure Act relating to summary protection orders.

The first Act to be amended is the *Supreme Court Act*.

For some time the Judges have been concerned about section 35a(1)(1) of the *Wrongs Act* which provides that in personal injury claims arising out of motor vehicle accidents any interest awarded must not be calculated from a date antecedent to the date of commencement of the proceedings. This provision was designed to limit interest payments which were often awarded from the time the cause of action arose. The Judges concerns are that the provision encourages the early institution of proceedings which might otherwise have proved unnecessary and makes proper case flow management difficult.

SGIC has for some years been concerned by the huge increase in legal costs in litigating compulsory third party claims. Of a total of \$201.1 million paid out for third party claims in the 1991/92 year, legal costs comprised \$40.5 million or 20.1 per cent of claims.

These concerns led SGIC to examine possible alternative systems for the resolution of compulsory third party claims, or improvements to the existing system.

SGIC concluded that although pre-trial conference procedures had the effect of virtually eliminating settlements on the court steps on the day of the trial and saving fee on brief and trial preparation costs there was little incentive (particularly for the plaintiff and plaintiff's solicitors) to settle before the pre-trial conference. SGIC's statistics show that only 5 per cent of all actions settled between the issue of proceedings and the pre-trial conference. Pre-trial conferences have however been remarkably successful. Approximately 77 per cent of all actions in both the Supreme and District Courts settle at the pre-trial conference and a further 15 per cent settle between the pre-trial conference and the trial.

These considerations led SGIC to conclude that savings could be made if, before legal proceedings are instituted, genuine attempts are made by the parties to settle their claims.

The amendment to section 30c of the *Supreme Court Act* is the first step in developing procedures to eliminate the premature commencement of proceedings. Similar amendments are to be made to the *District Court Act* and the *Magistrates Court Act* and section 35a(1)(1) of the *Wrongs Act* is to be repealed.

The Judges have agreed to amend their rules, in consultation with the profession, to the effect that a party would bear the risk of costs if the party institutes proceedings without giving the defendant adequate notice of the proceedings together with a reasonable opportunity to settle the claim. Also a party would bear the risk of costs if the party instituted proceedings before the matter was ready to precede.

The second amendment to the *Supreme Court Act* is also common to the *District and Magistrates Court Acts*. Doubts have arisen whether section 131 extends to allowing the public access to, for example, the judge's direction to the jury in a criminal

trial. It is made clear that the public is entitled to have access to this and to the other listed items.

The *District Court Act* is amended to include a new provision as to service. (A similar provision is also added to the *Magistrates Court Act*). Difficulties have been encountered in the Magistrates Court in effecting personal service on people who live in high security premises. The High Court decision in *Dillon v Plenty* also has the potential to create problems with the service of summonses in the Magistrates Court criminal jurisdiction. In that case the High Court held that police were unable to enter private property to serve a summons when the owner had made it clear that they were not to enter the property. This provision will enable the courts to make appropriate provision for some other form of service when personal service has proved impracticable. In *Dillon v Plenty* if personal service could not be effected the only alternative was arrest. This is not always a desirable course and if it can be avoided it should be. The Supreme Court Rules cover the situation in that court.

The amendment to section 51 of the *District Court Act* follows as a result of the decision of the Supreme Court in *Taylor v Guttilla* (Judgement No. S3701, delivered on the 10th December, 1992). In this case the Supreme Court ruled invalid rule 38 of the Rules made under the *Local and District Criminal Court Act*. This rule, which is similar to a rule now made under the *District Court Act*, provided that all reports of persons who might be able to be called as expert witnesses should be exchanged well in advance of trial. Reports produced by experts in contemplation of litigation or for the purposes of litigation would attract legal professional privilege in the absence of some provision to the contrary. The essence of the Supreme Court decision is that the rule making power contained in the former *Local and District Criminal Courts Act* (and it would appear the present *District Court Act*) is not sufficient to found a rule that has the effect of depriving a party to a claim for legal professional privilege. In recent times the philosophy of the District Court has been that, in the conduct of litigation, all cards should be laid on the table. Trial by ambush is, hopefully, a thing of the past.

The amendment is designed to enable the District Court to revert to the status quo. A similar amendment is made to the *Magistrates Court Act*.

As well as the amendments already mentioned several, what might be termed "housekeeping", amendments are made to the *Magistrates Court Act*.

Difficulties have been experienced by reason of the fact that not all the functions of a Registrar can be delegated to a Deputy Registrar because some of them are of a judicial nature. When the Registrar is absent there is nobody else who can perform these tasks. The definition of registrar is amended to include the Deputy Registrar.

Section 14(2) is struck out. This subsection was not brought into operation while the Chief Magistrate and Sheriff further considered their roles in relation to court orderlies. They have now agreed that the provision should be deleted.

The amendment to section 15 clarifies when the court may be constituted by a Special Justice or 2 Justices of the Peace. The section was amended during debate and is not as felicitous as it could be. Present section 15(2)(b) appears to require the court to invite objections to justices hearing a matter. This has the potential to cause disruption particularly in places magistrates do not visit. Cases are scheduled so that justices do not deal with complicated matters, and the matters justices can deal with are in any event limited by the *Criminal Law (Sentencing) Act* provisions which restrict the penalties justices can impose.

Section 40 is amended to provide that no appeal lies against an interlocutory judgment given in summary proceedings. There was no appeal in such matters until this legislation was enacted and this amendment restores the status quo. It is undesirable that summary proceedings should lose their summary nature.

The *Bail Act* is amended to provide that persons who do not obey a witness summons and who have been arrested as a consequence can be bailed. It is not always desirable that such persons be kept in custody until they can be dealt with by the court that ordered their arrest.

A further amendment is made to section 19 of the *Bail Act* to provide for an amount estreated to be paid in instalments. At present a court may reduce the amount to be paid or rescind the order for the payment of the amount but it may not order the amount to be paid in instalments. It seems sensible that the court can make an order for the payment of the whole amount by instalments in appropriate cases rather than reducing the liability or cancelling it altogether.

Sections 46 and 47 of the *Criminal Law Consolidation Act* are repealed. Their repeal was overlooked when assault was made a summary offence.

Section 86b is also repealed. This section should have been deleted from the *Statutes Amendment (Illegal Use of Motor Vehicles) Bill 1992* as a result of the agreement reached at a conference. The section has not been proclaimed to come into operation.

The amendment to section 278 makes it clear that summary offences can be included in an information. It is probable that they can now. The amendment will put the matter beyond argument.

The amendment to the definition of "judgment debt" in section 3 of the *Enforcement of Judgments Act* is designed to overcome the difficulty that the definition of judgment debt does not include the costs of enforcing the judgment and, if these are not paid, must be pursued separately from the judgment debt. This is an inefficient and wasteful way to go about things.

Section 7 is amended to make it clear that where the sheriff has authority to sell real property he can eject from the land any person who is not lawfully entitled to be on the land. It is implicit that the sheriff can do this but the amendment makes it clear, particularly as section 11 provides that the sheriff can eject persons from land.

The amendment to the *Oaths Act* is a drafting amendment the alteration of the reference to the *Justices Act* was overlooked.

Several amendments are made to the *Summary Procedure Act*.

New section 8 provides that industrial offences must be set down for hearing by an industrial magistrate. This restores the status quo. Since the 1991 amendments came into operation administrative arrangements have ensured that industrial offences are set down before industrial magistrates. The provision in the Act will ensure that the administrative arrangements are not overlooked in the future.

The amendment to section 29 brings the wording of this provision into line with the amendment made to section 288 of the *Criminal Law Consolidation Act* towards the end of last year.

Section 49 refers to complaints being "made" and to complaints being "laid". The amendment to section 49 clarifies that complaints are "made". The amendment to section 107 removes some superfluous words.

Section 189 presently allows a court to award costs against a legal practitioner, prosecutor or witness who unreasonably delays proceedings. The amendment to section 189 will allow

the court to award costs against a party who unreasonably delays proceedings.

The Chief Magistrate and the police have raised technical questions about whether an in House amendment to the provisions allowing application for protection orders by telephone achieved its objective. The amendment requires that cases in which interim or telephone orders are made must be referred to a Court within 7 days of the making of the order. The provision has been re-drafted and is contained in sections 99f and 99g.

The status of firearms orders which the Court must make when making a summary protection order is unclear in the principal Act. The definition section (section 4) and section 99a are being amended to clarify that firearms orders are an intrinsic part of a summary protection order.

The Chief Magistrate has requested that section 100 (3) be amended to give the Court additional ability to give directions concerning registration of interstate orders.

The Crown Solicitor has pointed out that an anomaly exists between the need for personal service of a protection order and the commission of an offence against a protection order. The position is being clarified to ensure that the offence is only committed if the defendant has been served with the summary protection order.

The amendment to the *Unclaimed Goods Act 1987* brings the jurisdictional limits in the Act in line with the jurisdictional limits of the new courts legislation.

PART 1 PRELIMINARY

Clause 1: Short title

Clause 2: Commencement

This clause provides for commencement on proclamation.

Clause 3: Interpretation

This clause is a standard interpretation provision for Statutes Amendment Bills.

PART 2

AMENDMENT OF SUPREME COURT ACT 1935

Clause 4: Amendment of s. 30c—Power to award interest

The provision regulating interest on damages, compensation or other pecuniary awards is amended by removing the requirement that where a judgment is given on an unliquidated claim interest is to be calculated from the date of the commencement of the proceedings to the date of judgment. It will, instead, be calculated from a period fixed by the court.

Clause 5: Amendment of s. 131—Accessibility of evidence, etc.

The amendment requires the court to give the public access not only to transcripts of evidence, documentary material admitted into evidence and any judgment or order but also to transcripts of submissions by counsel, transcripts of the judge's summing up or directions to the jury and transcripts of reasons for judgment.

PART 3

AMENDMENT OF DISTRICT COURT ACT 1991

Clause 6: Amendment of s. 39—Pre-judgment interest

This amendment is equivalent to the amendment to section 30c of the *Supreme Court Act 1935*. See clause 4.

Clause 7: Insertion of s. 50A—Service

The new section enables the District Court to order service by post or to make other orders related to service where it is not practicable to serve as prescribed or contemplated by law.

Clause 8: Amendment of s. 51—Rules of Court

This amendment enables rules of court to be made imposing obligations for disclosure on parties prior to trial.

Clause 9: Amendment of s. 54—Accessibility of evidence, etc.

This amendment is equivalent to the amendment to section 131 of the *Supreme Court Act 1935*. See clause 5.

PART 4

AMENDMENT OF MAGISTRATES COURT ACT 1991

Clause 10: Amendment of s. 3—Interpretation

This amendment enables Deputy Registrars, Registrars and the Principal Registrar to perform the same functions.

Clause 11: Amendment of s. 14—Responsibilities of non-judicial staff

This amendment removes the provision that court orderlies are subject to direction by the Chief Magistrate. The responsibilities of court orderlies are set out in the *Law Courts (Maintenance of Order) Act 1928*.

Clause 12: Amendment of s. 15—The Court, how constituted

This amendment removes the ability of a party to object to proceedings being heard by the Court constituted of a Special Justice or 2 Justices.

Clause 13: Amendment of s. 19—Transfer of proceedings between courts

This amendment provides for transfer of proceedings from the Supreme Court to the Magistrates Court.

Clause 14: Amendment of s. 34—Pre-judgment interest

This amendment is equivalent to the amendment to section 30c of the *Supreme Court Act 1935*. See clause 4.

Clause 15: Amendment of s. 40—Right of appeal

This amendment provides that there is no appeal against an interlocutory judgment in summary proceedings.

Clause 16: Insertion of s. 48A—Service

This amendment is equivalent to the insertion of section 50A in the *District Court Act 1991*. See clause 7.

Clause 17: Amendment of s. 49—Rules of Court

This amendment is equivalent to the amendment of section 51 of the *District Court Act 1991*. See clause 8.

Clause 18: Amendment of s. 51—Accessibility of evidence, etc.

This amendment is equivalent to the amendment of section 131 of the *Supreme Court Act 1935*. See clause 5.

PART 5

AMENDMENT OF BAIL ACT 1985

Clause 19: Amendment of s. 4—Eligibility for bail

This amendment provides that witnesses appearing on summons or arrested on warrant are eligible for bail.

Clause 20: Amendment of s. 5—Bail authorities

This amendment provides that the court before which a witness is to appear is a bail authority for the purposes of the Act.

Clause 21: Amendment of s. 6—Nature of bail agreement

This amendment provides for the nature of a bail agreement with a witness. The agreement is an undertaking to be present and to comply with conditions as to conduct while on bail. The agreement may provide for forfeiture of a specified sum on breach of the agreement.

Clause 22: Amendment of s. 10—Discretion exercisable by bail authority

This amendment requires the bail authority to release a witness on bail unless there is a likelihood that the witness would abscond.

Clause 23: Amendment of s. 19—Estreatment

This amendment enables a court or justice to allow a person to pay an amount forfeited because of a breach of a bail agreement in instalments.

PART 6
AMENDMENT OF CRIMINAL LAW
CONSOLIDATION ACT 1935

Clause 24: Repeal of ss. 46 and 47

Sections 46 and 47 relate to the manner in which assault and battery offences are dealt with. These offences are now summary offences and the sections have become obsolete.

Clause 25: Repeal of s. 86b

Section 86b, inserted by the *Statutes Amendment (Illegal Use of Motor Vehicles) Act 1992*, is repealed. The matter is dealt with under section 17 of the *Summary Offences Act 1953*.

Clause 26: Amendment of s. 278—Joinder of charges

This amendment makes it clear that offences may be joined where appropriate no matter their classification.

PART 7
AMENDMENT OF ENFORCEMENT OF
JUDGMENTS ACT 1991

Clause 27: Amendment of s. 3—Interpretation

This amendment inserts a definition of judgment debt to include in that term the costs of enforcing the judgment.

Clause 28: Amendment of s. 7—Sale of property

This amendment gives the sheriff clear power to eject from land any person who is not lawfully entitled to be on the land where a warrant authorises the sale of the land.

PART 8
AMENDMENT OF OATHS ACT 1936

Clause 29: Amendment of s. 7—Oaths to be taken by judicial officers

This amendment corrects a reference to the Act under which Justices take their oaths.

PART 9
AMENDMENT OF SUMMARY PROCEDURE ACT
1926

Clause 30: Amendment of s. 4—Interpretation

This amendment substitutes the definition of "summary protection order" to include an order comprised of a restraining order and a firearms order dealing with any firearms possessed by a defendant subject to a restraining order. Currently these types of orders are separate orders. The amendment is one of a series of miscellaneous amendments to the summary protection order provisions in the Act (see clauses 34 to 37).

Clause 31: Insertion of s. 8—Industrial offences

The new section provides that a charge of an industrial offence must be heard by an industrial magistrate.

Clause 32: Amendment of s. 29—Assistance of counsel

This amendment equates the provision to section 288 of the *Criminal Law Consolidation Act 1935* by providing that parties are entitled to be represented by counsel rather than to the assistance of counsel in the presentation of cases.

Clause 33: Amendment of s. 49—Complaint

The amendment is of a technical nature to make consistent references to a complaint being made rather than laid.

Clause 34: Amendment of s. 99—Summary protection orders

These amendments make it clear that where a summary protection order is made in the absence of the defendant, the date set for the defendant to appear before the court when it considers whether to confirm the order must not be later than 7

days after the date of the order. The amendment allows the court to adjourn to a later date (usually no more than a further 7 days later) if the defendant has not been served with a summons or for other good reason.

The other amendments in this clause are consequential to the amendment in clause 35.

Clause 35: Amendment of s. 99a—Firearms orders

Section 99a requires the Court to make orders relating to firearms that may be held by the defendant when making a summary protection order. The amendment brings such orders within the summary protection order itself.

Clause 36: Insertion of ss. 99b—99d

These amendments are consequential to the amendments in clause 35.

Clause 37: Amendment of s. 100—Registration of interstate summary protection orders

This amendment gives the Court power, when registering an interstate summary protection order, to issue directions for the effective operation of the order in this State in addition to its current power to adapt or modify the order.

Clause 38: Amendment of s. 104—Preliminary examination of charges of indictable offences

The amendment makes it an offence to file a false statement in Court.

Clause 39: Amendment of s. 107—Evaluation of evidence at preliminary examination

This amendment removes an anomaly in the section.

Clause 40: Amendment of s. 189—Costs

This amendment provides for the award of costs against parties who unreasonably obstruct proceedings.

PART 10
AMENDMENT OF UNCLAIMED GOODS ACT 1987

Clause 41: Amendment of s. 3—Interpretation

This amendment brings the Court before which proceedings may be taken under the Act into line with current jurisdictional limits. It provides that the Magistrates Court is the appropriate court if the unclaimed goods do not exceed \$60 000 in value and if they do exceed that value then the District Court or the Supreme Court is the appropriate court.

PART 11
AMENDMENT OF WRONGS ACT 1936

Clause 42: Amendment of s. 35a—Motor accidents

This amendment is related to the amendment to section 30c of the *Supreme Court Act 1935*. See clause 4. It removes the limitation that in personal injury claims arising out of motor vehicle accidents any interest awarded must not be calculated from a date antecedent to the date of commencement of the proceedings.

Mr S.J. BAKER secured the adjournment of the debate.

ADJOURNMENT

At 11.55 p.m. the House adjourned until Wednesday 21 April at 2 p.m.

HOUSE OF ASSEMBLY

Tuesday 20 April 1993

QUESTIONS ON NOTICE

PETROL BOWSERS

13. Mr BECKER:

1. How many Government controlled petrol bowsers are there by agency and/or statutory authority, where are they located, which type and brand of fuel is dispensed, how many dispensing hoses are there and what are the tank capacities of each storage area?

2. How many litres of each type of fuel were purchased in each of the years ended 30 June 1989 to 1991?

3. What systems are in use at each petrol bowser to control receipts and issues?

4. What losses of fuel occurred in each of the years ended 30 June 1989 to 1991 and what was the result of investigations into each instance of loss?

Because this question was asked before the Cabinet reshuffle it has been answered in the previous Ministerial format.

The Hon. FRANK BLEVINS: The answers are as follow:

The Department for Family and Community Services does not operate any petrol bowsers.

South Australian Health Commission

1. The South Australian Health Commission has six petrol bowsers and one overhead distillate (diesel) tank, which are located at Strathmont Centre, Glenside Hospital and Hillcrest Hospital.

Location	Type	No. of Dispensing Hoses	Type of Fuel	Brand of Fuel	Storage Capacity (Litres)
Strathmont	Bowser	1	Unleaded Petrol	Mobil	20 000
	Overhead Distillate Tank	1	Diesel	Mobil	4 800
Glenside	Bowser	1	Unleaded Petrol	Mobil	11 000
	Bowser	1	Diesel	Mobil	11 000
Hillcrest	Bowser	1	Unleaded Petrol	Mobil	11 500
	Bowser	1	Super Petrol	Mobil	4 500
	Bowser	1	Diesel	Mobil	10 000

Location	Year	Unleaded Petrol (Litres)	Super Petrol (Litres)	Diesel (Litres)
Strathmont		101 199		4 502
		71 431		7 522
Glenside	1988-89	Combined figure of 88 911 litres for unleaded petrol and distillate		
	1989-90	Combined figure of 109 649 litres for unleaded petrol and distillate		
	1990-91	Combined figure of 108 477 litres for unleaded petrol and distillate		
Hillcrest	1988-89	119 763	21 497	40 789
	1989-90	124 864	18 028	40 349
	1990-91	19 303	16 766	32 455

Strathmont Centre advised that figures for 1988/89 have been archived and could not be retrieved at short notice.

III Strathmont

Receipts and fuel issues are recorded in a log book by an attendant.

Glenside

Fuel issues entered on Issue Forms that record:

Date

Vehicle Registration No.

Make of Vehicle

Department vehicle belongs to

Litres issued

Driver's signature

Motor vehicle log books are also maintained and kept in vehicle. Issue Forms are reconciled weekly. Fuel receipts are processed

through the Hospital Supply Purchasing System and are subject to the controls of that system

Hillcrest

Fuel issues are recorded on sheets that record:

Date

Vehicle Registration No.

Area vehicle belongs to

Litres issued

Driver's signature

Weekly summary sheets are kept which are then collated into monthly records. Fuel is dispensed by the Stores Officer for the Head Gardener. Petrol receipts are kept on weekly and monthly summary sheets.

IV Strathmont

No fuel losses have been recorded except in the year 1990-91 when it was discovered that water had leaked into the unleaded petrol storage tank. The amount of petrol loss is unknown.

The presence of water was discovered by Gilbarco Pty Ltd. Tank Maintenance. The tank was closed for replacement between August 1990 and November 1990. During this period, petrol was obtained with Mobil cards from regular service stations.

Glenside

No significant fuel losses were recorded which required investigation during the period 1988-89 to 1990-91.

Hillcrest

No significant fuel losses were recorded during this period. Fuel losses were recorded as being caused by evaporation.

Attorney-General

None of the agencies reporting to the Attorney-General have control of any petrol bowsers.

Department of Fisheries

Minister of Industry Trade and Technology

Department of Fisheries

I. The Department of Fisheries has not possessed any petrol bowsers for the periods specified.

II, III, IV. Petrol used by the department, particularly for the use of research and patrol vessels, is stored in twenty litre containers in accordance with State Supply Board regulations for the management of chemical substances.

The department also possesses a one thousand gallon overhead diesel storage tank which in the past was used to fuel a specific research vessel which the department no longer owns. Consequently, the department still has the storage tank but it is no longer in use.

Department of Agriculture

Brand name of fuel is Mobil which is on Government contract.

Bowser Dispenser/ Hose	Metered Pump Dispenser/ hose	Location	Super Quantity Purchased	Unleaded Quantity Purchased	Diesel Quantity Purchased	Super Tank Capacity	Unleaded Tank Capacity	Diesel Tank Capacity
1	nil	South East Regional Headquarters, Penola Road Struan	nil	93 677 litres	nil	nil	4 450 litres	nil
1	1	Struan Research Centre, Penola Road, Struan	25 425 litres	nil	40 332 litres	4 220 litres	nil	5 x 2 000 litres
1	2	Kybybolite Research Centre, Box 2 Kybybolite	9 800 litres	12 315 litres	89 266 litres	200 litres	1 000 litres	1 000 and 500 litres
nil	1	Northfield Research Centre, Pine Drive, Northfield	nil	nil	25 000 litres	nil	nil	4 500 litres
1	2	Lenswood Horticulture Centre, Swamp Road, Lenswood	5 389 litres	8 088 litres	3 560 litres	1 000 litres	1 000 litres	1 200 litres
2	1	Loxton Research Centre, Bookpurnong Road, Loxton	16 190 litres	56 000 litres	9 030 litres	9 100 litres	9 100 litres	1 200 litres
2	nil	Flaxley Research Centre, Strathalbyn Road, Flaxley	nil	21 810 litres	17 360 litres	nil	10 000 litres	10 000 litres
2	nil	Nuriootpa Research Centre, Research Road, Nuriootpa	nil	61 990 litres	5 100 litres	nil	4 000 litres	4 000 litres
1	2	Turretfield Research Centre Rosedale	21 481 litres	83 992 litres	37 936 litres	1 190 litres	5 000 litres	2 x 2 300 litres
nil	3	Kingsford Farm, Rosedale	4 561 litres	400 litres	14 940 litres	200 litres	200 litres	2 300 litres

Bowser Dispenser/ Hose	Metered Pump Dispenser/ hose	Location	Super Quantity Purchased	Unleaded Quantity Purchased	Diesel Quantity Purchased	Super Tank Capacity	Unleaded Tank Capacity	Diesel Tank Capacity
1	2	Wanbi Research Centre, Wanbi	4 550 litres	16 560 litres	29 513 litres	1 000 litres	5 300 litres	11 500 litres
2	nil	* Minnipa Research Centre, Minnipa	nil	45 861 litres	37 375 litres	nil	4 590 litres	2 300 litres
TOTAL								
14	18	12	87 396	400 663	309 412	16 910	44 640	53 100

II Total of fuel purchased for the above period:

Super 87 396 litres

Unleaded 400 663 litres

Diesel 309 412 litres

III Systems in use to control receipts and issues

Receipts

Standing orders are issued for 12 months supply of fuel. Fuel delivered and tank is dipped prior to receipt of fuel and again after. These figures are recorded. Amounts in litres are recorded on monthly fuel statement sheet and docket are signed and forwarded to Adelaide with Part Supplied Goods Received Notice attached.

Issues

Issued petrol is recorded on a monthly fuel issue sheet, totalled and figures transferred to the monthly fuel statement sheet and sent to Supply Section in Adelaide. Records of date, vehicle registration or code number, bowser meter reading in litres received by vehicle and officer issuing the fuel are recorded. Meter readings are recorded for each issue rather than clock face reading to overcome possible errors.

IV Theft of Fuel

Police investigations were conducted due to the loss of 500 litres of distillate, Police Report No. 91/L 09609 dated 28 May 1991. Result: unknown person noticed visiting Research Centre over weekend. Loss of fuel not recovered. Steps have been taken to secure the tank by use of a padlock system.

Loss of fuel

Any fuel loss incurred is generally related to tank evaporation, which is minimal if further loss is indicated, then steps are taken to have bowsers and metered pumps checked by Weights and Measures for accuracy.

Minister of Education

1. The Education Department does not control any petrol bowsers. There is one bowser fitted with a single hose based at Kangaroo Inn Area School for dispensing Mobil diesel fuel to departmental school buses. The bowser is served by an underground tank having a capacity of 14 150 litres.

II. The amount of fuel dispensed:

Year ended 30 June 1989 - 34 595 litres

Year ended 30 June 1990 - 25 600 litres

Year ended 30 June 1991 - 34 850 litres

III. Fuel is purchased at Government Contract rates by placing a purchase order on Mobil Australia Pty Ltd. Fuel is dispensed into Education Department buses serving the Kangaroo Inn Area School and the amount issued is documented in the respective bus log book. The bowser is locked after each issue of fuel.

IV. Nil

Children's Services Office

Nil

Senior Secondary Assessment Board of South Australia

Nil

Non-Government Schools

Nil

Teachers Registration Board

Nil

Minister of Transport

Office of Transport Policy and Planning

I. Nil

II. Not applicable

III. Not applicable

IV. Not applicable

State Transport Authority

I. The STA operates petrol bowsers at five locations around the Adelaide area. The table lists the location, tank capacity and number of dispensing hoses at each site. The STA uses Mobil petrol in accordance with the State Supply fuel contract.

Location	Fuel Type	Tank Capacity	Number of Hoses
Mile End Maintenance Depot	ULP	10 000 litres	1
Mile End Maintenance Depot	SUPER	5 000 litres	1
Morphettville Bus Depot	ULP	10 000 litres	1
Elizabeth Bus Depot	ULP	4 500 litres	1
St Agnes Bus Depot	ULP	10 000 litres	1
Regency Park Workshops*	ULP	15 500 litres	1

* Note: The Regency Park bowser will be closed when the tank is emptied.

3. The fuel is purchased by order number for each delivery and is received and signed for by an officer at each location.

The fuel is dispensed by an officer and recorded on a bowser sheet and also entered onto the vehicle log sheet.

4. There have been no losses of fuel incurred during the years ending 30 June 1989 to 30 June 1991.

Department of Correctional Services

1. S = SUPER U = UNLEADED D = DISTILLATE

Location	Type and No. of Bowsers			Brand	No. of Hoses			Tank Capacities		
	S	U	D		S	U	D	S	U	D
Cadell Training Centre		1	1	Mobil		1	1		5000	5000
Mobilong Prison			1	Mobil			1			2500
Northfield Prison Complex		1	1	Mobil		1	1		11900	5300
Port Lincoln Prison	1		2	Mobil	1		1	1100		2200 5200

Location	Year	Super	Unleaded	Distillate
Cadell Training Centre	1988/89	—	34 715	41 865
	1989/90	—	36 690	53 280
	1990/91	—	28 716	49 015
Mobilong Prison	1988/89	—	—	25 744
	1989/90	—	—	41 726
	1990/91	—	—	29 311
Northfield Prison Complex (records only obtainable from December 1989)	1988/89	—	—	—
	1989/90	—	11 000	7 504
	1990/91	—	16 040	17 030
Port Lincoln Prison	1988/89	1 505	—	27 200
	1989/90	2 642	—	27 900
	1990/91	2 200	—	29 100

Cadell Training Centre—All fuel users are recorded in a requisition book, which records each issue and the bowser meter reading after each issue. Issues are also recorded in the vehicle log book where appropriate.

Mobilong Prison—Receipts are controlled by checking bowser meter readings before and after delivery and matching cartnote quantities with meter readings. The contents of the tank is also periodically checked by dip measure and matched with bowser meter reading. A stores person is generally present during deliveries.

Issues are controlled by recording on fuel sheets which are matched with bowser meter readings. The bowser is kept locked with the key available from the bulk store during the day and from the control room after hours. If the key from the control room has been used the bulk store is notified the following working day and fuel sheet information provided to stores staff

for checking with bowser meter reading. Two people are generally present during refuelling.

Northfield Prison Complex—All fuel capacities delivered are checked by the Garage Functional Specialists, certified and the fuel delivery documentation forwarded to the Yatala Labour Prison Main Store.

The totals of fuels issued are displayed in numerals on the appropriate bowser unit and recorded manually on the 'fuel record sheet' which details date, vehicle registration number, volume issued and running total of fuel dispensed, driver enters fuel intake on running sheet. This fuel record sheet is filled at the Northfield Prison Complex Garage.

Port Lincoln Prison—Purchase of fuel is recorded in the Purchase Order book and copy of delivery advice is held at the institution.

Fuel that is issued from the bowsers is recorded in a fuel issue register supervised by custodial specialists.

4. Cadell Training Centre—The only losses of fuel that occurred have been discrepancies between the balance and dip figures.

No investigations were made into these losses as it was considered acceptable taking into account evaporation, spillage, and inaccuracies in dip calibrations.

Mobilong Prison—There have been no reported/recorded losses of fuel during the year ending 30 June 1989 and 30 June 1991, requiring investigation.

Northfield Prison Complex—There have been no reported/recorded losses of fuel during the year ending 30 June 1989 and 30 June 1991, requiring investigation.

Port Lincoln Prison—There have been no reported/recorded losses of fuel during the year ending 30 June 1989 and 30 June 1991, requiring investigation.

Department of Road Transport

1. There are 76 petrol bowsers in the Department of Road Transport in 59 locations throughout the State, ranging from remote Maintenance Gangs like Marla to high density vehicle areas such as its Northfield Depot. Mobil distillate and petrol are dispensed and the bowsers feature 77 hoses. Locations and tank capacities for each storage area are:

DEPARTMENT OF ROAD TRANSPORT FUEL BOWSER DETAILS

Location	Capacity litres	Type of Fuel	System of Control
Berri	4 500	Distillate	Manual
Birdwood	4 500	Distillate	Manual
Blanchetown	4 500	Distillate	Manual
Bordertown	4 500	Distillate	Manual
Burra	4 500	Distillate	Manual
Bute	4 500	Distillate	Manual
Ceduna	4 500	Distillate	Manual
Clare	4 500	Distillate	Manual
Cooper Pedy	4 600	Distillate	Manual
Coorabie	19 370	Distillate	Manual
Cowell	4 500	Distillate	Manual
Crafers	11 500	Distillate	Manual
Crafers	4 500	Petrol	Manual
Crystal Brook	9 000	Distillate	Manual
Crystal Brook	10 000	Petrol	Manual
Cummins	20 000	Distillate	Manual
Elliston	5 200	Distillate	Manual
Grange	4 500	Distillate	Manual
Grange	5 500	Petrol	Manual
Hawker	9 000	Distillate	Manual
Jamestown	2 000	Distillate	Manual
Karoonda	4 500	Distillate	Manual
Keith	4 500	Distillate	Manual
Kimba	2 200	Distillate	Manual
Kingston	4 500	Distillate	Manual
Lameroo	4 500	Distillate	Manual
Leigh Creek	13 500	Distillate	Manual
Littlehampton	4 500	Distillate	Manual
Lock	4 950	Distillate	Manual
Loxton	4 500	Distillate	Manual
Lucindale	4 500	Distillate	Manual
Maitland	4 500	Distillate	Manual
Marino	10 000	Petrol	Manual
Marino	10 000	Distillate	Fuel Scan
Marla	9000	Distillate	Manual
Meningie	4 500	Distillate	Manual
Millicent	4 500	Distillate	Manual
Minlaton	5 300	Distillate	Manual
Moonta	2 300	Distillate	Manual
Morgan	4 500	Distillate	Manual
Mt Gambier	4 500	Distillate	Manual
Murray Bridge	4 500	Distillate	Fuel Scan
Murray Bridge	39 000	Petrol	Fuel Scan
Naracoorte	4 500	Distillate	Manual
Naracoorte	4 500	Petrol	Manual

Location	Capacity litres	Type of Fuel	System of Control
Newton	9 000	Distillate	Manual
Newton	9 000	Petrol	Manual
Northfield Depot.....	27 000	Distillate	Mech Meter
Northfield Depot.....	27 000	Distillate	Fuel Scan
Northfield Depot.....	54 000	Petrol	Fuel Scan
Northfield Mtce	10 000	Distillate	Fuel Scan
Northfield Mtce	10 000	Petrol	Manual
Nuriootpa.....	4 455	Distillate	Manual
Oaklands Park	9 000	Petrol	Manual
Olary.....	4 500	Petrol	Manual
Penola.....	2 200	Distillate	Manual
Pt Augusta	16 000	Distillate	Manual
Pt Lincoln	5 000	Petrol	Manual
Pt Lincoln	5 000	Distillate	Manual
Pt Wakefield.....	4 500	Distillate	Manual
Strathalbyn	2 278	Distillate	Manual
Sturt.....	13 700	Distillate	Manual
Sturt.....	4 000	Petrol	Manual
Victor Harbor	4 500	Distillate	Manual
Walkerville.....	30 000	Petrol	Fuel Scan
Whyalla	9 000	Distillate	Manual
Willaston	4 000	Distillate	Manual
Willunga.....	4 000	Distillate	Manual
Woomera.....	11 000	Distillate	Manual
Wudinna	4 800	Distillate	Manual
Yunta.....	11 500	Distillate	Manual

Note: The locations listed above do not include mobile gang fuel tankers as they do not have bowsers.

2. 14.1 in litres of distillate and 5.4 in litres of petrol, both ULP and Super (which is now discontinued), were purchased during the three years ended 30 June 1989, 90 and 91, in approximately even amounts each year.

3. Three systems of control are used, viz.:

- an automated fuel management system in high vehicle population areas which records details of issues to specific vehicles electronically at a remote console (drivers are issued with special system keys);
- a key operated mechanical system is used for heavy transport vehicles operating from Northfield with issues recorded from meter to issue sheets manually;
- a manual system where drivers record issues of fuel on a 'Fuel and Lubricant Issue Sheet' at the time of transaction for subsequent batched entry into the Distribution Control System (DCS) inventory control system; and
- receipts recorded using a manual system whereby details are entered into the DCS from warehouse receiver paperwork generated by the ordering process.
- Bowsers are padlocked when not in use and key issues for automated systems are controlled an registered.

4. Losses of fuel during the three years outlined were 19.375 litres of distillate and 5.756 litres of petrol, representing extremely small percentages of total turnover. Eight specific losses were considered significant enough to warrant investigation with the following results:

- 2 300 1 ULP at Walkerville—keying error, found and compensated for at Northfield.
- 1 185 1 Distillate from Oodnadatta mobile gang fuel tanker—faulty gauges were changed.
- 1 173 1 ULP from Strzelecki mobile gang fuel tanker—system of control changed and more frequent checks ordered.

- 7 333 1 Distillate at Northfield—suspected accounting error.
- 2 635 1 Distillate at Marla—bowser, meter and dipstick found inaccurate and changed.
- 3 010 1 Distillate at Woomera—no metering device so issues estimated, now equipped with gauges.
- 726 1 Distillate at Newton—investigation did not justify further action as losses were within allowable tolerances based on inaccuracy of dipping process and quantity of turnover for period.
- 923 1 Distillate at Newton—as above.

With regard to the Tourism, Consumer Affairs and Small Business portfolios the response to this question is nil.

Department Of Marine and Harbors
Stores Office Glanville

- I. 1 Super bowser with 1 hose
Tank Capacity = 4 091 litres
- 2 Unleaded bowsers with 1 hose each
Tank Capacity = 18 184 litres - 1 bowser
2 273 litres - 1 bowser

Fuel supplied by Mobil.

- II. 1988/89—Figure not available, (destroyed in mooring gang dispute)
1989/90
Super = 12 716 litres
Unleaded = 33 804 litres
1990/91
Super = 17 400 litres
Unleaded = 48 834 litres

III. The receipt of fuel by the Department is checked by the store person or Harbor Master by dipping the tanks. Fuel is issued by the store person and recorded on a daily issues sheet recording vehicle number, account number, total issues and remaining tank balance.

Usage is allocated to cost centres from the Supply recording system. Tanks are within Port Services Centre compound and bowsers are locked and power turned off after hours.

IV. Nil losses.

Crane Shed (This facility was closed in July 1991)

I. 1 Unleaded bowser with 1 hose Tank Capacity = 10 000 litres

Fuel supplied by Mobil.

II. 1988-89

July 88 — April 89 figures not available (Destroyed in mooring gang dispute)

May 89 — June 89 = 4 399 litres (unleaded)

1989/90

Unleaded = 43 397 litres 1990-91

Unleaded = 30 030 litres

III. Fuel issued was not recorded on official sheet but issues were transcribed to an official note book. Fuel was checked by dipping the tanks. For this and the following regional locations monthly fuel reconciliations are carried out centrally before fuel costs are distributed to cost centres.

Bowser was inside crane shed with separate door lock. Bowser separately locked when not in use.

IV. Alleged pilfering was discovered in 1990. An investigation by the Government Investigator followed resulting in a recommendation from the Crown Solicitor that the matter be referred to the Police Department. A police investigation followed which resulted in establishing insufficient grounds for further pursuit.

Thevenard

I. Super bowser with 1 hose Tank Capacity = 4 000 litres

Fuel supplied by Mobil

II. 1988/89

Super = 6 500 litres

1989/90

Super = 6 000 litres

1990/91

Super = 5 940 litres

III. Receipt of fuel checked by Department by dipping the tanks. Daily records maintained and logged. Bowser is locked and pump motor controls are inside the Civil Maintenance shed which is always locked after hours.

IV. Approx 20 litres per year due to evaporation.

Port Lincoln

I. 1 Super bowser with 1 hose

Tank Capacity = 4 500 litres

Fuel supplied by Mobil

II. 1988/89

Super = 4 000 litres

1989/90

Super = 6 000 litres

1990-91

Super = 4 000 litres

Minister for the Arts and Cultural Heritage

State Services Department

1.

Location	No. of Bowsers	Fuel Type	No. of Hoses	Tank Capacity
State Centre Car Park (SCCP) Divett Place, Adelaide	2	Unleaded	1 hose ea.	2 x 24 000 L

III. A record book is kept for both. Tanks situated in secure maintenance yard.

IV. Nil losses.

Walleroo

I. 1 Super bowser with 1 hose

Tank Capacity = 4 450 litres

Fuel supplied by Mobil

2. 1988/89

Super = 4 510 litres

1989/90

Super = 4 020 litres

1990/91

Super = 3 000 litres

3. Fuel ordered on standing order. Recorded in fuel book and checked by dipping tanks. Petrol bowser inside compound locked with padlock.

4. Nil losses.

Port Giles

I. 1 unleaded bowser with 1 hose

Tank Capacity = 5 300 litres

Fuel supplied by Mobil.

2. 1988/89

Unleaded = 4 300 litres

1989/90

Unleaded = 4 220 litres

1990/91

Unleaded = 5 800 litres

3. Fuel ordered, recorded and checked as for Wallaroo. Bowser inside compound with padlock; additional key to unlock isolator.

4. Nil losses.

Beachport

I. 1 unleaded bowser with 1 hose

Tank capacity = 5 000 litres

Fuel supplied by Mobil.

2. 1988/89

Unleaded = 7 450 litres

1989/90

Unleaded = 8 600 litres

1990/91

Unleaded = 9 000

3. Fuel issued is recorded by attendant and debited to appropriate Plant item. Receipt of fuel is checked by dipping the tanks.

Bowser locked when unattended.

4. Nil losses.

No other Departments or Agencies own or control petrol bowsers.

Government Motor Garage 211-219 Gilles Street, Adelaide	1 1 1	Unleaded Super Diesel	1 hose 1 hose 1 hose	25 000 L 9 000 L 9 000 L
Netley Workshop 282 Richmond Road, Netley	3 1	Unleaded Diesel	1 hose ea. 1 hose	2 x 26 000 L 20 000 L
Seaton Warehouse Brebner Drive, Seaton	1 overhead tank	Diesel	1 hose	2 000 L
Central Linen Service Oxenham Street, Dudley Park	1 1	Unleaded Diesel	1 hose 1 hose	4 500 L 28 000 L

All fuel is purchased on Government contract from Mobil Oil Aust. Ltd.
2.

Location	Fuel Type	Fuel issues for year ended 1989	Fuel issues for year ended 1990	Fuel issues for year ended 1991
SCCP	Unleaded	N/A	1 055 000 L	1 056 914 L
GMG	Unleaded	464 991 L	524 105 L	563 796 L
	Super	36 993 L	29 994 L	19 506 L
	Diesel	21 210 L	15 540 L	22 042 L
Netley Workshop	Unleaded Diesel		Part of SACON at that time Records N/A	
Seaton Warehouse	Diesel	approximately 7 500 L	approximately 7 500 L	approximately 7 500 L
Central Linen Service	Unleaded	14 007L	14 003L	14 013L
	Diesel	133 094 L	171 015 L	209 666 L

III. SCCP Receipts—Dip taken prior to tanker unloading fuel, dip taken after fuel delivered to verify fuel issued.

Issues—Meter reading is taken at same time each day and fuel sheets ruled off and added. That figure agreed with result obtained from subtracting current day from previous day's meter reading.

Fuel Sheets - All fuel issues are recorded on fuel sheets with registration number, date, department, driver's name, odometer reading and initialled.

GMG A manual card system (one card per department/section) is used on controlling issues of fuel and a manual system for the controlling of the ordering and receiving of fuel.

Netley Workshop Automated fuel issuing system which requires a special card to operate.

Seaton Warehouse Diesel is only issued ex Seaton Warehouse. Treated as a normal stock line. Purchase covered by an official purchase order. Sales covered by official warehouse pick sheet. The driver is not authorised to issue fuel. It is issued by a from another section.

Central Linen Key system with individual meters.

IV. SCCP A 10/15 litre tolerance per day may arise because fuel issues are recorded in whole litres, whereas actual issues may on occasions be in part litres, i.e. 39.3 L No losses have been recorded.

GMG Losses of fuel recorded for year ending:

1989:-243 1990:-316 1991:-879

Pump checks are carried out periodically when problems occur and which can result in incorrect readings. Using a

manual system can also cause incorrect figures being entered, therefore, problems occur, resulting in losses.

Netley Workshop Virtually nil because one tank is fitted with a Brower Valve.

Seaton Warehouse Stock checked as a normal line at the annual stock take. Losses incurred have been small and have been attributed to the fact that the tank's volume is monitored manually.

Central Linen No losses or discrepancies.

Parks Community Centre Tank Capacity

I. 2 Bowsers Unleaded-Mobil hose 1 800 litres
Diesel-Mobil 1 hose 1 800 litres

II. Year to Year to
30/6/89 30/6/90 30/6/91

Unleaded 2 400 litres 2 370 litres 3 000 litres

Diesel 1 200 litres 1 200 litres

III. The pumps are in locked cages. Keys and log book are under control of the grounds supervisor. Balance of fuel received against that issued is checked by reference to fuel in tank dip stick.

IV. No losses of fuel recorded.

Enfield General Cemetery Trust

Tank Capacity

I. 2 Bowsers (Enfield Super-Shell 1 hose 2 500 litres
Cemetery) Diesel-Shell 1 hose 2 500 litres

1 Bowser (Cheltenham Diesel-Shell 1 hose 2 000 litres
Cemetery)

II. Year to	Year to	Year to
30/6/89	30/6/90	30/6/91

Enfield

Super	11 600 litres	10 150 litres	7 000 litres
Diesel	3 700 litres	4 600 litres	6 400 litres

Cheltenham

Diesel	1 500 litres	2 400 litres	2 000 litres
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III. Upon receipt of fuel, the delivery docket is checked against the dip readings. Daily issue records are kept and reconciled with dip and meter records.

IV. No losses of fuel recorded.

West Beach Trust

Tank Capacity

I. 1 Bowser Super-Mobil 1 hose 5 500 litres

II. Year to	Year to	Year to
30/6/89	30/6/90	30/6/91
12 300 litres	11 800 litres	11 000 litres

III. The pump is kept locked when not in use. All issues are conducted by the Works Overseer or Motor Mechanic and appropriate records are kept.

IV. No losses of fuel recorded.

Minister of Housing and Construction

In reference to the question on notice, I write to advise that the transport operations previously undertaken by SACON along with the associated records were transferred to the Department of State Services in the last financial year. Advice on SACON's previous activity should therefore be included in the information provided by the Minister of State Services.

The following information is provided with regard to the Department of Recreation and Sport:

I. Nil

II. Not Applicable

III. Not Applicable

IV. Not Applicable

Whilst the Trust did have two diesel and three petrol bowzers at Elizabeth, Penny Place (Adelaide) and Honey Pot Road (Hackham), they were not in use during the period of the inquiry and since then have been fully decommissioned and removed.

Minister of Environment and Planning**Department of Lands**

I. There are two petrol bowzers located at the Lands SA Survey Depot, 8 West Thebarton Road, Thebarton. One being diesel, and the other unleaded petrol both with one dispensing hose. Fuel is supplied by Mobil as per the State Supply contract. The tank capacity of the unleaded petrol is 12 500 litres and 4 500 litres for the diesel.

II. Total amount of fuel purchased between the period 1st July 1988 to 30th June 1991 are as follows.

July 1988 to June 1989

Diesel	Unleaded Petrol
19 000 litres	27 000 litres

July 1989 to June 1990

Diesel	Unleaded Petrol
23 000 litres	26 000 litres

July 1990 to June 1991

Diesel	Unleaded Petrol
22 500 litres	18 000 litres

III. The Survey Depot uses a monthly recording sheet that shows the date, vehicle number, litres of fuel issued and received, signature, remarks and litres brought forward.

Dip stick and meter readings are recorded every morning and afternoon on a Monthly Recording Sheet. These readings are

then checked against the amount of fuel that was issued for that day to see whether they correspond.

It is the responsibility of the person in charge of the Survey Store to make sure that all issues and receipts are signed for. These are then handed over to the Depot Supervisor for checking at the end of each month.

The original recording sheets are forwarded onto the Resource and Management Branch at the end of each month and a copy filed in the Supervisor's Office.

IV. In March 1991 there was a delivery of 3 000 litres of unleaded petrol which was poured into the holding tank. On completion of the pour the tank was dipped a number of times and it was found that there was a shortage of 810 litres.

Mobil Australia Ltd was immediately informed of the error. A number of tests were carried out to see whether Lands or Mobil were at fault.

Mobil Australia decided that they would hold the losses and the records were adjusted to that decision.

- There have never been any diesel shortages.

Engineering and Water Supply Department**1. Mobil Oil Australia Contract Period 1 July 1991 to 30 June 1994**

101	Elizabeth Super	10 000 litres:	unleaded 11 000 litres:
		1 hose outlet per tank	
001	Ottoway Super	10 000 litres:	unleaded 26 000 litres:
		1 hose outlet per tank	
115	Riverton Unleaded	4 500 litres:	1 hose outlet
360	Murray Bridge- Control Centre Super	5 000 litres:	unleaded 5 000 litres:
		1 hose outlet per tank	
351	Morgan Unleaded	11 500 litres:	1 hose outlet
346	Pelican Point, Mundoo Unleaded	5 000 litres:	1 hose outlet
327	Mannum Super	4 500 litres:	1 hose outlet
326	Coonalpyn Super	5 000 litres:	1 hose outlet
323	Pinnaroo Super	5 000 litres:	1 hose outlet
301	Murray Bridge Super	12 000 litres:	unleaded 12 000:
		1 hose outlet per tank	
204	Aldinga Unleaded	4 100 litres:	1 hose outlet
290	Thebarton Super	25 000 litres:	unleaded 19 000 litres:
		1 hose outlet per tank	
281	Hope Valley Unleaded	15 000 litres:	1 hose outlet
506	Lock Unleaded	5 000 litres:	1 hose outlet
503	Wirrula Unleaded	2 500 litres tank removed	July 1992
501*	Port Lincoln Unleaded	5 000 litres:	1 hose outlet
441*	Whyalla Unleaded	2 000 litres:	1 hose outlet
440*	Port Augusta Unleaded	2 500 litres:	1 hose outlet
428*	Peterborough Unleaded	2 000 litres:	1 hose outlet
426*	Jamestown Unleaded	2 500 litres:	1 hose outlet
424*	Snowtown Unleaded	2 500 litres:	1 hose outlet
423*	Yorke town Unleaded	2 500 litres:	1 hose outlet
422*	Maitland Unleaded	2 500 litres:	1 hose outlet
420*	Kadina Unleaded	2 500 litres:	1 hose outlet
403*	Pt Pirie Unleaded	2 500 litres:	1 hose outlet
401*	Crystal Brook Unleaded	3 900 litres:	1 hose outlet
102	Milbrook Super	2 000 litres:	1 hose outlet
250	Bolivar Unleaded	26 000 litres:	1 hose outlet
209	Pt Elliot Unleaded	4 500 litres:	1 hose outlet
201	Happy Valley Super	25 000 litres:	unleaded 25 000
		litres:	1 hose outlet per tank
151	Marden Unleaded	2 tanks 10 45 000 litres:	1 ca 10 000
		litres: Super 14 500 litres:	1 hose outlet per tank
155	Woodside Unleaded	4 000 litres:	1 hose outlet
117	Nuriootpa Unleaded	4 000 litres:	1 hose outlet
114	Kapunda Unleaded	2 275 litres:	1 hose outlet

- 113 Balaklava Unleaded 5 000 litres: 1 hose outlet
- 112 Gawler Super 1 300 litres: unleaded 4 500: 1 hose outlet per tank
- 111 Kingscote Super 5 100 litres: unleaded 2 400 litres: 1 hose outlet per tank
(Note: Super tank to be converted to unleaded)
- 107 South Para Unleaded 4 500 litres: 1 hose outlet
- 104 Little Para Dam Super 5 000 litres: 1 hose outlet
- 716 Loxton Pumping Station Mobil Fuel Card
- 740 Lake Victoria Unleaded 10 000 litres: 1 hose outlet
- 701 Berri Unleaded 2 000 litres: 1 hose outlet
- 641** Millicent SEDB
- 605** Keith Use
- 604** Naracoorte
- 603** Millicent
- 601 Mount Gambier Unleaded 10 000 litres
- 533 Pt Neil Unleaded 2 500 litres: 1 hose outlet
- 209 Pt Elliot Unleaded 4 500 litres

* Since January 1991 all super is being purchased on credit cards

** Use Mobil Fuel cards

2.

Year to 26 June 1991	Year to 26 June 1990	Year to 28 June 1989
Unleaded 1 257 803	Unleaded 1 173 426	Unleaded 1 074 693
Super 460 388	Super 673 755	Super 972 382

3. Fuel is issued via Fuel Release Orders that are processed through the supply system.

Fuel is only issued to Engineering and Water Supply Department personnel using Engineering and Water Supply Department machines/vehicles.

The bowsers are controlled only by regional storemen and are activated by an electric switch located in the regional store.

The pumps are under lock and key at all times to ensure strict security.

Receipts are ordered by regional supply personnel using the supply purchasing and inventory system.

All fuel purchases are accounted for by entries on stock cards.

The use of pump meter readings as an indicator to correspond against fuel issues is also used as a control mechanism.

Discrepancies in fuel issues through incorrect card transactions are detected by this method.

4. Fuel installations are physically checked every month. All differences between physical count and card balances are monitored and investigations are carried out to correct these.

In all instances there is an element of evaporation and in some specific instances, a breakdown in equipment is the cause. Gilbarco Australia Ltd maintenance and installation of pumps are contacted for testing purposes, fault finding and correction.

Year	Fuel Type		Diesel	Total
	Unleaded	Super		
1988/89	13,685	84,935	382,396	481,016
1989/90	47,072	26,803	333,207	407,082
1990/91	38,948	9,634	384,858	433,440

3. Each bowser has a fuel record sheet which records receipts and issues of fuels and these are checked every month.

4. Within the Botanic Gardens Division only minor losses of fuel occurred in each of the years ended 30 June 1989 to 1991. Investigations revealed that in each case, the amount of fuel used

Bolivar October 1989

850 Litres Unleaded

The quantity of 850 Litres was Super residue which could not be pumped out and therefore mixed in with unleaded on conversion of tank.

Elizabeth April 1989

1 000 Litres unleaded

Pump checked no error found variation due to evaporation over a 12 month period.

Elizabeth October 1989

1 044 Litres Super

Variance an super found on transferring tank to unleaded. Pump checked and found to be in order, variance caused by evaporation.

Port Lincoln February 1991

38 Litres Unleaded

Variance on petrol balance when unleaded tank pumped out for new fuel installation.

Ottoway April 1991

900 Litres Unleaded

Variance caused by evaporation and meter malfunction

Happy Valley October 1989

700 Litres Distillate

Adjustment required to pump—inaccurate registration on the cyclometer of quantity issued.

1 000 Litres Unleaded

Tank was tested and no leakage found.

Happy Valley June 1992

500 Litres Super

900 Litres Unleaded

800 Litres Distillate

Fuel variations have accumulated over a period of two years or more. These

variations are caused by evaporation and calibration of pumps issuing fractionally more than reading (confirmed by Gilbarco).

Crystal Brook June 1992

2 400 Litres Distillate

To correct accumulated variation.

Department of Environment and Planning

1. The Department of Environment and Planning has 41 bowsers across the State. Each of the bowsers has one hose; the location, fuel types and tank capacities are shown in the table below. The fuel is supplied by Mobil as per the State Supply Contract.

2. The Department of Environment and Planning purchased the following litres of fuel over the years concerned:

had not been entered. Within the National Parks and Wildlife Service the Cleland diesel bowser has recorded a cumulative loss of: 1300 litres. This loss has been investigated and attributed to tank leakage which Mobil have been requested to check.

BOWSER CAPACITIES

Location	Fuel Type Diesel Litres	Fuel Type Super Litres	Fuel Type Unleaded Litres
163 Morialta	4 000		
183 Lofty-Para Wirra	4 500		
192 Sturt	4 500		750
197 Cleland.....	5 200		5 200
201 Deep Creek.....	2 200		2 000
205 Inns.....	4000		
210 Flinders Chase	5 300	2 270	2 270
212 Murrays Lagoon	2 200		800
225 Brookfield	3 750		
226 Salt Creek.....	1 500	8 500	
227 Dunggali.....	4 800		
228 Murraylands-Loxton	4 500		4 500
231 Canunda	2 500		
234 Naracoorte Caves	5 300		
251 Mambray Creek.....	1 100		1 200
255 Oraparinna.....	9 000	5 000	
258 Balcanoona.....	1 500 -2 500		
260 Coffin Bay.....	1 500		
253 Alligator Gorge Generator.....	1 100	1 200 *	
954 Wilpena Generator	20 000		
955 Oraparinna Generator.....	20 000		
958 Balcanoona.....	15 500		
Danggali	9 000		
Adelaide Botanic Garden	4 500		4 500
Mt Lofty Botanic Garden	4 500		4 500
Wittunga Botanic Garden		700	
Beechwood Botanic Garden	2 000		4 000

* (not in use- to be transferred to Kangaroo Island)

Note:

258 Balcanoona 2 500 litres underground converted from Super to Diesel and 1 500 litres overhead to be sold.

253 Alligator Gorge 1 200 litres Super tank is to be transferred to Murrays Lagoon as an unleaded tank when emptied.

Commissioner of Police

1.(i) Number of bowsters—17

(ii) Locations—

Novar Gardens	(3)
Thebarton Barracks	(2)
Darlington Division	(1)
Port Adelaide Division	(1)
Holden Hill Patrol Base	(1)
Para Hills Sub-division	(1)
Nuriootpa Police Station	(1)
G3 Division Mount Gambier	(1)
Berri Police Station	(1)
Port Pirie Police Station	(1)
H3 Division Port Augusta	(1)
H4 Division Port Lincoln	(1)
H4 Division Ceduna	(1)
Whyalla Police Station	(1)

(iii) Type and brand fuel—Unleaded, Super and Diesel—Mobil

(iv) Dispensing hoses—17

(v) Tank capacities:

Novar Gardens	
Unleaded:	25000 litres
Super:	25000 litres
Diesel:	15000 litres
Thebarton Barracks	
Unleaded:	13800 litres
Diesel:	13800 litres
2 Stroke:	1500 litres
Darlington Division	15000 litres
Port Adelaide Division	20000 litres
Holden Hill Patrol Base	27000 litres
Para Hills Sub-division	15000 litres
Nuriootpa Police Station	100 litres
G3 Division Mount Gambier	5000 litres
Berri Police Station	12000 litres
Port Pirie Police Station	12000 litres
H3 Division, Port Augusta	4200 litres
H4 Division, Port Lincoln	11000 litres
H4 Division, Ceduna	12 000 litres
Whyalla Police Station	7 000 litres

2. Police fuel consumption (net of S.E.S.)

	Petrol
Distillate	AVGAS
Total 1988/89	5 037 181
146 946	292 763
Total 1989/90	4 774 025
182 644	301 266
Total 1990/91	4 557 376
179 618	282 805

3. Individual drivers must complete an 'issue sheet' stating fleet number, mileage, identity and 'posting' of vehicle and fuel received.

A return is completed each month showing receipt of fuel, fuel issued and balance of fuel remaining. Storage tanks are dipped to confirm balance. In most areas access to a bowser is by key, the issue of which is strictly controlled.

4. There has been various minor losses due to, in most cases, the issue sheet not being completed. Only one small theft was detected between 6 and 7 August 1991, 32 litres of unleaded petrol were stolen. The offender appeared at Adelaide Magistrates Court on 7 May 1992.

Metropolitan Fire Service

1. The South Australian Metropolitan Fire Service has a total of three petrol bowsters: two (one leaded and one unleaded) bowsters are located at Headquarters, Wakefield Street: Mobil fuel: single dispensing hose on each bowser: both tanks are of 12 000 litres capacity.

One (leaded) bowser located at Engineering Section, Welland: Mobil fuel: single dispensing hose: 11 900 litres capacity.

2. Unleaded:	1989-90—110747
	1990-91—92 353
Leaded:	1989-90—5 442
	1990-91—4 885

3. Standard Administrative Procedure No. 19, Fuel Supplies issued in 1989 details the documentation procedures for fuel issue within the SAMFS. The fuel issue record books are retained at each dispensing outlet.

Mobil delivery receipts are accepted as records for receipt of fuel and regular 'dips' are taken to validate usage. Standard Administrative Procedure No. 19 states:

4.2 Supplies from fuel pumps installed on Fire Service property may be obtained for Fire Service vehicles by adopting the following procedure.

4.2.1. Drivers obtaining fuel supplies from station pumps shall notify the officer on duty. The person issuing the fuel must enter quantities received in the SAMFS Fuel Issue Book (see appendix 1)

4.2.2. The Fuel Issue Record Books have been printed to clearly distinguish 'Super' fuel issues from 'Distillate' fuel issues. Personnel dispensing fuel into vehicles and appliances must fill in the following details in the Fuel Issue Record Book:-

- Time of day (HQ only) Outstations (see 4.1. above) must enter the date of each issue
- Fleet number of vehicle not vehicle call sign
- Speedometer reading
- Number of litres issued
- Name of person issuing the fuel
- Signature of person
- Shift or Division

4.3. It is most important that accurate records are kept both at the fuel supply source and in the Fuel Issue Record Book. Drivers must ensure that supplies recorded by them tally with the pump meter reader.

4. Nil losses were recorded for the period 30 June 1989 to 30 June 1991.

Country Fire Service

The CFS does not maintain a petrol bowser.

Department of Mines and Energy

1. Bowsters Location, type, brand of fuel, hoses and tank capacity

Department of Mines and Energy control two (2) bowsters which are located at Dalgleish Street, Thebarton; one bowser is for unleaded petrol the other is distillate, each bowser has one dispensing hose; brand of fuel dispensed is Mobil; tank capacity for both fuels is 10 000 litres each.

2. Fuel Purchases

88/89	89/90	90/91
litres	litres	litres
unleaded petrol	19 023	19003
distillate	27 001	46 716
		40 630

3. Systems and Controls

- each bowser is padlocked and all issues are provided by a Storeman.
- each issue is lodged on a weekly issue sheet recording fuel type, quantity, the vehicles number and signed by the receiver.
- weekly issue sheets are transposed to requisitions to enable update of stock holdings on computer.
- when the reorder level is reached—tanks are dipped to check levels against stock holdings.
- on receipt of fuel the tanks are dipped before and after to verify the amount delivered.

4. Fuel Losses

No losses of fuel have been recorded during the periods in question.

Office of Energy and Planning

Government Controlled Petrol Bowsers

The Office of the Energy Planning does not have control of any petrol bowsers.

Electricity Trust of South Australia

A stocktake is carried out six times per year at random. Results are entered into MMIS and if there is a discrepancy it is identified. The supervisor is then notified of an investigation conducted to determine reason for discrepancy. Any adjustments are authorised by a manager with appropriate authority.

ETSA PETROL PUMPS
Metropolitan Area

Location	Type	Brand	No. of Pumps	No. of Hoses	Tank Capacity (Litres)
Angle Park.....	Unleaded	Ampol	1	1	25 000
Eastwood.....	Super and Unleaded	Shell	2	2	66 300
Elizabeth.....	Unleaded	Ampol	1	1	25 000
Holden Hill.....	Unleaded	Ampol	1	1	4 500
Magill.....	Unleaded	Ampol	1	1	9 000
Marleston.....	Super and Unleaded	Shell	2	2	52 000
Mile End.....	Super and Unleaded	Shell	2	2	29 500
Morphett Vale.....	Unleaded	Ampol	1	1	4 500
Stirling.....	Unleaded	Ampol	1	1	5 000
Osborne.....	Unleaded	Ampol	1	1	4 500
Somerton Park.....	Unleaded	Ampol	1	1	4 500
Queenstown.....	Unleaded	Ampol	1	1	4 500
Torrens Island.....	Unleaded	Ampol	1	1	4 500
St Marys.....	Unleaded	Ampol	2	2	10 000
Newton.....	Unleaded	Ampol	1	1	5 000
			19	19	

Country Areas

Location	Type	Brand	No. of Pumps	No. of Hoses	Tank Capacity (Litres)
Barmera.....	Unleaded	Ampol	1	1	13 500
Bordertown.....	Unleaded	Ampol	1	1	4200
Burra.....	Unleaded	Ampol	1	1	4 500
Ceduna.....	Unleaded	Ampol	1	1	5 000
Clare.....	Unleaded	Ampol	1	1	18 000
Cleve.....	Unleaded	Ampol	1	1	2 000
Coonalpyn.....	Unleaded	Ampol	1	1	4 500
Gladstone.....	Unleaded	Ampol	1	1	9 000
Gumeracha.....	Unleaded	Ampol	1	1	4 500
Kadina.....	Unleaded	Ampol	1	1	4 500
Kingscote.....	Unleaded	Ampol	1	1	4 500
Lameroo.....	Unleaded	Ampol	1	1	5 000
Loxton.....	Unleaded	Ampol	1	1	4 500
Maitland.....	Unleaded	Ampol	1	1	4 500
McLaren Vale.....	Unleaded	Ampol	1	1	4 500
Mount Barker.....	Unleaded	Ampol	1	1	4 500
Mount Gambier.....	Unleaded	Ampol	1	1	16 000
Murray Bridge.....	Unleaded	Ampol	1	1	4 500

Location	Type	Brand	No. of Pumps	No. of Hoses	Tank Capacity (Litres)
Northern Power Station.....	Super and Unleaded	Shell	1	1	10 000
Playford Power Station	Super and Unleaded	Shell	2	2	9 000
Port Augusta HQ.....	Unleaded	Ampol	1	1	10 000
Port Lincoln.....	Unleaded	Ampol	1	1	4 500
Port Pirie.....	Unleaded	Ampol	1	1	4 500
Riverton.....	Unleaded	Ampol	1	1	5 000
Strathalbyn.....	Unleaded	Ampol	1	1	4 500
Streaky Bay	Unleaded	Ampol	1	1	4 500
Victor Harbor	Unleaded	Ampol	1	1	4 500
Whyalla.....	Unleaded	Ampol	1	1	4 500
Yorketown.....	Unleaded	Ampol	1	1	10 000
Leigh Creek	Super and Unleaded	Shell	4	4	53 000
			34	34	
Total			53	53	

Pipelines Authority of South Australia

1(a) How many Government controlled petrol bowsers are there by agency

and/or statutory authority?

14 Bowsers

(b) Where are they located?

2 in Operations Administration Centre in Dry Creek.

2 in Peterborough depot.

10 in 5 compressor stations in remote locations.

(c) Which type and brand of fuel is dispensed?

Mobil Unleaded petrol and diesel

(d) How many dispensing hoses are there?

14 hoses

(e) What are the tank capacities of each storage area?

Operations Administration Centre

1 x 2 500 litres unleaded petrol

1 x 11 000 litres diesel

Peterborough Depot

1 x 10 000 litres unleaded petrol

1 x 10 000 litres diesel

4 Compressor stations

8 x 10 000 litres diesel

1 Compressor station

1 x 2 500 litres unleaded petrol 1 x 2 500 litres diesel

2. How many litres of each type of fuel were purchased in each of the years

ended 30 June 1989 to 1991?

Operations Administration Centre. Dry Creek

	Unleaded Petrol	Diesel
1989/1990	24 730 Litres	29 000 Litres
1990/1991	26 660 Litres	36 000 Litres
1991/1992	26 560 Litres	31 010 Litres

Peterborough

Unleaded Petrol Diesel

1989/1990 9 570 Litres 242 840 Litres

1990/1991 16 180 Litres 159 080 Litres

1991/1992 12 800 Litres 157 190 Litres

3. What systems are in use at each petrol browser to control receipts and issues?

Receipts of fuel in the Operation's Administration Centre and in Peterborough are handled by the stores personnel and recorded in the inventory system.

Issues of fuel in the above locations is on a self serve basis. Bowsers are always locked and are under the control of the stores personnel. To obtain fuel, drivers will-have to get the fuel register and the keys to the browser from the stores personnel, self serve, enter details of vehicle and quantity of fuel taken in the register, lockup and return the keys and the register to stores personnel.

Issues in the remote compressor station locations is similar except that the keys are under the control of the senior Technical Officer present in the station. No records are kept as the fuel is for the exclusive use of the Authority's vehicles engaged in remote field maintenance work.

4. What losses of fuel occurred in each of the years ended 30th June 1989 to 1991 and what was the result of investigations into each instance of loss?

No significant loss has been reported in each of the years ended 30th June 1989 to 1991. Minor discrepancies due evaporation are reported during stocktakes.

Woods and Forest Department

Schedule of Information re Petrol Bowsers and Fuel Purchases 1 and 2. Number and location of fuel bowsers, etc.

NB: All fuel supplies obtained from State Government Contractor, ie Mobil.

Location	No.	Fuel (1)	Hoses	Capacity (Litres)	Purchases (Litres)		
					1988-89	1989-89	1990-91
Mount Gambier Mill	1	S	1	4 500	48 200	32 000	30 900
	1	UL	1	13 000	152 400	166 600	190 000
	1	D	1	16 000	275 500	255 300	322 000
Nangwarry Mill.....	1	S	1	4 500	10 605	9 479	13 984
	1	D	1	12 000	107 675	87 157	100 059
Mount Burr Mill.....	1	D	1	4 500	91 144	95 330	79 340
Mount Gambier Forest	1	S	1	4 500	14 900	15 130	15 290
Myora Forest.....	1	S	1	4 500	11 800	12 050	12 159
Caroline Forest.....	1	UL	1	4500	2890	3015	3 120
Kuitpo Forest	1	S	1	4 500	19 060	12 410	10 700
	1	UL	1	11 900	18 120	26 420	27 020
	1	D	1	13 500	47 200	28 290	31 415
Second Valley Forest	1	S	1	1 000 ⁽²⁾	8 750	4 300	4 800
	1	UL	1	2 300	5 100	7 340	9 650
	1	D	1	5 600	28 370	27 310	18 700
Mount Crawford Forest	2	S	1	1 000 ⁽²⁾	29 290	21 440	19 655
	1	UL	1	5 000	41 200	43 020	44 720
	1	D	1	12 000	92 688	83 630	80 048
Wirrabara Forest	1	UL	1	5 300	800	8 184	16 290
	1	D	1	5 200 ⁽³⁾	21 801	11 587	12 660
Bundaleer Forest	1	S	1	1 750 ⁽³⁾	9 000	3 500	1 005
	1	UL	1	4 800	400	9 200	11 000
	1	D	1	1 400 ⁽³⁾	4 560	5 800	3 380
Penola Forest.....	1	S	1	4 500	24 865	25 620	—
Converted to UL.....	1	UL	1	—	—	—	20 110
Comaum Forest.....	1	S	1	4 500	3 945	5 230	3 880
Murray Bridge Native Plant Section	1	S	1	800 ⁽³⁾	9 800	7 925	8 600
	1	UL	1	9 000	15 450	10 700	20 200
	1	D	1	2 300	26 510	22 300	22 400
Mount Burr Forest.....	1	S	1	4 500	27 610	14 600	—
Converted to UL	1	UL	1	—	—	9 150	30 500
Noolook Forest.....	1	S	1	2 300	7 227	4 789	—
Converted to UL.....	1	UL	1	—	—	—	8 878

3. The procedures adopted by this Department for receipt and issue of fuels is as under:

Receipts

- Upon arrival the tanker driver notifies the stores personnel/clerk/officer in charge.
- The dipstick is checked to determine fuel level in bowser and ascertain estimated quantity to be dispensed from the tanker.
- Fuel dispensed and order given for quantity recorded on tanker gauge.

Issues

- Sawmills

At the Mount Gambier Store an automatic fuel dispensing system is installed and thus for vehicles allocated a key to the system the following applies:

- Place key in dispenser and unlock automatic system.
- Dispense fuel.
- Remove key.
- Usage automatically recorded against the appropriate vehicle.
- Amounts so issued deducted from stockcards.

For vehicles without access to the automatic dispenser the following procedures apply:

—Driver contacts a stores person who personally dispenses fuel.

—Issue note completed for appropriate amount and type of fuel and signed by receiver.

—Amounts issued recorded on stockcards.

NB: This procedure also applies at Nangwarry and Mount Burr Sawmills.

• Forests

At forest units the procedures adopted are slightly different in that no stores persons are employed. the following sets out the procedures:

—Drivers obtain key for pump and dispense fuel.

—Record amount issued, vehicle number and cumulative petrol pump reading and sign.

—Volumes issued deducted from stockcards by appropriate person.

4. Apart from minimal losses due to evaporation there has only been one recorded loss of fuel from departmental controlled petrol bowsers/tanks during the three year ended 30 June 1991.

The loss recorded was from the Mount Gambier Forest in July 1990 when some 60 litres of fuel was stolen. The thief broke the lock and dispensed some fuel. The matter was reported to the police but no person was apprehended.

South Australian Timber Corporation

1. One petrol storage/dispensing facility is installed at the Mount Gambier Pine Industries mill in Sturt Street, Mount Gambier, comprising:

- One 9 000 litre storage tank for Mobil super grade fuel;
- One dispensing hose.

2. Litres purchased in each of the following years were:

1989	76 670
1990	67 391
1991	56 961

3. Receipt of fuel is checked by dip readings taken prior to and immediately following deliveries which are signed for by the Maintenance Engineer or Machine Shop Supervisor.

Issues are controlled through a keyed multi-register meter system which are read monthly for cost allocation purposes.

4. Gains/(losses) recorded in the period under review were:

1989	(8)
1990	674
1991	713

The small loss and gains recorded were within normal tolerances for rounding and meter accuracy and consequently did not warrant further investigation.

Department of Employment and Technical and Further Education

1. In addressing this question it is assumed that a petrol bowser refers to a dispensing unit as used by Service Stations and that this unit is associated with an in-ground storage tank.

No Department of Employment and Technical and Further Education locations have petrol bowsers.

The exception could be Kingston College of TAFE where an overhead diesel fuel tank of 5 000 litre capacity is located specifically for the Plant Operators course. The fuel is supplied by Mobil on contract and the delivery outlet is metered.

4. No loss of fuel has occurred.

State Aboriginal Affairs

State Aboriginal Affairs is not responsible for any petrol bowsers, and therefore has no comment to make on sub-questions two, three and four.

ELECTORATE OFFICES

234. Mr LEWIS:

1. What are the separate annual costs of rent, telephone-call budget, cleaning, security and electricity allocated to each electorate office?

2. What extraordinary expenses, such as burglary and graffiti clean up etc, have occurred in any office during the past financial year?

3. What was the actual cost of phone calls made from each electorate office during the past financial year and in 1986-87 and what, if any, is the change in the budget for telephones for this financial year?

4. What is the total number of Members in each of the past four years who have used more than their allocated telephone allowance and who have therefore been billed for the extra costs?

5. Has the adequacy of the allocation of funds for telephone use for rural Members been reassessed (excluding Whyalla and Stuart), in particular, during the effects of the rural recession on farmers and small businesses in country towns?

6. Why does the Minister persist in retaining control of such budget lines rather than the Parliament i.e. the Joint Parliamentary Service Committee?

7. Why are members not given 'global' budgets to avoid the situation at present wherein they cannot transfer the cost from one part of the apportionment to their electorate office to another?

8. What type of computer equipment is installed in each office by SACON, indicating the number of terminals and the software provided in each case?

9. How many and which electorate offices have high energy efficiency light bulbs fitted in them?

10. Which electorate offices have a kitchen with a stove and/or microwave oven installed?

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

- 1. see table A below. Please note that:
 - security costs appear in table B
 - telephone call budget appears in table B

TABLE A

ELECTORATE OFFICE	RENT	CLEANING COSTS	ELECTRICITY
Adelaide.....	13 079	612	842.13
Albert Park.....	12 738	2 651	1 478.91
Alexandra.....	11 845	1 272	147.67
Baudin.....	11 544	2 137	1 051.61
Bragg.....	13 380	3 576	2 927.81
Briggs.....	15 013	948	557.00
Bright.....	12 768	1 189	(inc. in rent)

ELECTORATE OFFICE	RENT	CLEANING COSTS	ELECTRICITY
Chaffey.....	7 045	5 615	881.75
Coles.....	13 283	1 944	1 057.03
Custance.....	8 687	1 547	824.94
Davenport.....	16 441	1 345	1 767.11
Elizabeth.....	12 671	841	835.55
Eyre (Ceduna).....	8 269	(included in rent)	
Eyre (Peterb).....	3 265	1 499	205.18
Fisher.....	12 253	1 103	1 582.15
Flinders.....	10 727	948	1 720.99
Florey.....	16 849	1 141	483.40
Gilles.....	13 380	1 429	852.64
Goyder.....	5 519	3 684	517.18
Hanson.....	9 911	3 124	1 200.48
Hartley.....	17 471	1 295	1 234.03
Hayward.....	22 679	1 691	1 277.02
Henley Beach.....	16 033	2 881	928.57
Heysen.....	16 548	3 540	1 212.66
Kavel.....	11 544	3 575	934.82
Light.....	13 992	2 412	966.25
Mawson.....	19 920	912	2 227.77
Mitcham.....	10 727	1 500	1 597.83
Mitchell.....	8 761	1 261	701.32
Morphett.....	16 645	2 725	1 502.13
Mt Gambier.....	8 821	1 391	1 799.50
Murray-Mallee.....	4 547	2 687	617.36
Napier.....	13 691	912	896.09
Newland.....	16 752	1 667	1 486.41
Norwood.....	15 501	3 623	1 239.66
Peake.....	16 151	4 295	1 068.34
Playford.....	10 523	1 297	1 187.93
Price.....	14 099	1 597	1 568.84
Ramsay.....	16 369	1 237	1 927.94
Ross Smith.....	13 584	1 237	1 099.12
Semaphore.....	9 493	495	1 026.39
Spence.....	8 172	2 353	575.35
Stuart (Augusta).....	18 016	5 102	1 942.75
Stuart (Pt Pirie).....		(Government owned office)	
Todd.....	14 303	1 416	786.31
Unley.....	22 620	1 559	1 723.36
Victoria.....	6 539	4 909	1 655.46
Walsh.....	10 523	1 440	1 545.98
Whyalla.....	17 471	1 080	981.22

2. See table B below. Please note that:

- there were no extraordinary expenses

3. See table B below. Please note that:

- telephone allowance is at 1st October 1992

- telephone call statistics available in calendar year only, and not available prior to 1988

- there was no alteration to the telephone budget from 91/92 to 92/93

TABLE B

ELECTORATE	Theft	Vandalism	Security	Telephone Allowance	Calls 1991	Calls 1988
	\$	\$	\$	\$	\$	\$
Adelaide.....			662	1 950	1 576	2 026
Albert Park.....			662	1 950	1 677	2 090
Alexandra.....			662	unlimited	2 408	1 403
Baudin.....			662	1 950	778	717
Bragg.....			888	1 950	2 209	2 041
Briggs.....		362	888	unlimited	1 275	3 963
Bright.....			888	1 950	1 902	2 386
Chaffey.....				2 600	1 465	2 621
Coles.....		701	662	1 950	1 735	1 962

ELECTORATE	Theft \$	Vandalism \$	Security \$	Telephone Allowance \$	Calls 1991 \$	Calls 1988 \$
Custance.....			624	2 600	3 187	763
Davenport.....		698	624	1 950	1 318	1 868
Elizabeth.....		34	662	unlimited	1 078	1 079
Eyre.....				3 250	1 830	2073
Fisher.....			624	1950	1 801	1209
Flinders.....				2 600	1 885	2 457
Florey.....			888	unlimited	1 562	1 451
Gilles.....		174	662	1 950	1082	382
Goyder.....				2 600	2075	2 238
Hanson.....			662	1 950	1 506	1 271
Hartley.....			624	unlimited	2 240	932
Hayward.....			662	1 950	1 709	1 306
Henley Beach.....			624	1 950	1 009	885
Heysen.....			705	1 950	1 787	1 232
Kavel.....				2 600	1 360	1 240
Light.....			662	2 600	2 392	2 062
Mawson.....			624	unlimited	1 844	1 512
Mitcham.....		327	662	1 950	1 863	1 204
Mitchell.....			888	1 950	1 114	942
Morphett.....			888	1 950	1725	835
Mt Gambier.....			1440	2600	2708	2315
Murray Mallee.....				2 600	3 236	2060
Napier.....			662	1 950	1 536	1 882
Newland.....			662	1 950	2199	1 193
Norwood.....		421	888	unlimited	2 337	2 571
Peake.....			624	1 950	1 103	1 612
Playford.....	3 650	51	624	1 950	1 264	2 087
Price.....			662	1950	1 379	664
Ramsay.....			662	unlimited	1 838	2 069
Ross Smith.....		83	888	1 950	1 262	2 094
Semaphore.....			624	1 950	857	2 715
Spence.....	1 120	225	888	1 950	1 214	1 070
Stuart.....			624	2 600	2 361	3 621
Todd.....		169	624	unlimited	895	1 391
Unley.....			624	unlimited	1 337	1 562
Victoria.....				2 600	4 365	3 977
Walsh.....			662	1 950	1 870	1 110
Whyalla.....			624	unlimited	2 453	1 803

4.17 members overspent their telephone allowance in 1988
 6 members overspent their telephone allowance in 1989
 6 members overspent their telephone allowance in 1990
 6 members overspent their telephone allowance in 1990

5. The telephone allowance as a whole has not been increased since June 1989.

6&7. Both these issues should be referred to the Joint Parliamentary Services Committee for their consideration and a possible subsequent recommendation to the Government.

8. See table C below. Please note that as at 1/11/92 all Electorate Offices have 1 computer terminal.

TABLE C	MAKE	CAPACITY	SOFTWARE SUPPLIED
Adelaide.....	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Albert Park.....	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Alexandra.....	Profound	120Mb	Dos, PC-file, Wordperfect5.0
Baudin.....	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Bragg.....	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Briggs.....	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Bright.....	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Chaffey.....	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Coles.....	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Custance.....	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Davenport.....	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Elizabeth.....	Microbyte	80Mb	Dos, PC-file, Wordperfect 5.1
Eyre.....	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Fisher.....	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Flinders.....	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1

TABLE C	MAKE	CAPACITY	SOFTWARE SUPPLIED
Florey	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Gilles	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Goyder	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Hanson	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Hartley	Matcom	120Mb	Dos, PC-file, Wordperfect 5.0
Hayward	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Henley Beach	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Heysen	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Kavel	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Light	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Mawson	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Mitcham	Osborne	120Mb	Dos, PC-file, Wordperfect 5.1
Mitchell	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Morphett	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Mt Gambier	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Murray-Mallee	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Napier	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Newland	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Norwood	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Peake	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Playford	Osborne	120Mb	Dos, PC-file, Wordperfect 5.1
Price	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Ramsay	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Ross Smith	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Semaphore	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Spence	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1
Stuart	Profound	120Mb	Dos, PC-file, Wordperfect 5.1
Todd	Osborne	120Mb	Dos, PC-file, Wordperfect 5.0
Unley	Microbyte	80Mb	Dos, PC-file, Wordperfect 5.0
Victoria	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Walsh	Profound	120Mb	Dos, PC-file, Wordperfect 5.0
Whyalla	Microbyte	120Mb	Dos, PC-file, Wordperfect 5.1

9. No Electorate Offices have high energy efficiency light bulbs fitted. However almost all are lit by fluorescent lighting which is energy efficient lighting.

10. Only a few Electorate Offices have the sole or shared use of a kitchen. It is not policy for stoves or microwave ovens to be fitted by the Government. It is possible the Building Owner may have supplied some of these facilities.

BUSINESS LICENCES

260. **Mr OLSEN:** How many re-drafts has the Government insisted on before the report on business licence deregulation will be released by the Minister?

The Hon. M.D. RANN: The Government has not insisted upon any re-drafts of the Business Licence Deregulation Report which was released on 17 November, 1992. In the process of finalising the report, a draft was given to public sector agencies to check for accuracy prior to releasing the report for public comment.

GOVERNMENT VEHICLES

324-336. **Mr MATTHEW:**

1. How many plain plated (or unmarked) vehicles are owned by, and how many are leased by, each department or agency under the Minister's responsibility?

2. For what purpose is each vehicle used?

3. How many vehicles are allocated to officers as part of their salary package and to which officers are they allocated?

4. From where are each of the vehicles leased and under what terms and conditions?

The Hon. LYNN ARNOLD: A similar question was asked by Mr Becker and a detailed response was tabled in Hansard on 18th February, 1992. As there is unlikely to have been any significant change since that time, the Honourable Member is referred to the previous information supplied.

340. **Mr MATTHEW:**

1. What is the name of the fleet management system used by each department and agency under the Minister's responsibility to assist in the administration and maintenance of vehicles, from whom was the system purchased and under what terms and conditions (including cost)?

2. If any department or agency does not use a fleet management system what manual methods are used?

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

The Office of Planning and Urban Development

1. The Office of Planning and Urban Development vehicles are managed under the State Fleet System.

2. The former Department of Environment and Planning fleet was managed through an in-house computerised fleet management system which has transferred to the responsibility of Department of Environment and Land Management.

The South Australian Housing Trust

1. The fleet management system used by the South Australian Housing Fleet is "Fleet Manager" licensed by INTERFLEET, a division of Australian Software Solutions Pty Ltd (formerly Australian Computer Solutions).

The total software licence cost (including an upgrading in 1991) has been \$17,800. Under the terms of its contract, the Trust is licensed to use the software package on a number of processors while the intellectual property rights of Australian Software Solutions are protected. Australian Software Solutions provides a service/maintenance facility for which the Trust pays \$2,670 annually.

2. Not applicable.

State/Local Government Relations Unit

Not applicable.

The Department of Recreation and Sport

1. The Department of Recreation and Sport does not have a computerised fleet management system due to the small number of vehicles used by the Department. The Department has a manual fleet management system, developed "in house".

2. The manual system used to control the fleet of long term hire vehicles from State Fleet for the divisions located in the city are as follows:

(i) a Vehicle Bookings book is maintained in the administration area for the fleet vehicles

(ii) the user fills in the booking details, ie. name, date, time taken and expected time of return

(iii) all vehicles are serviced every 10,000km by the Government Garage

Due to the physical location of the Division of Sport at Kidman Park, a separate manual system is used as follows:

(i) a vehicle booking form is filled out by all users

(ii) a log book is kept for all vehicles which outlines users name, date and time used

(iii) all vehicles are serviced every 10,000km by the Government Garage

(iv) all buses over 8 seats are inspected monthly, bi-monthly and quarterly by the Government garage, in line with Road Transport Regulations.

The Manager, Super-Drome does not use a State Fleet vehicle, but has a vehicle purchased by the Department.

349. **Mr MATTHEW:**

1. What is the name of the fleet management system used by each department and agency under the Minister's responsibility to assist in the administration and maintenance of vehicles, from whom was the system purchased and under what terms and conditions (including cost)?

2. If any department or agency does not use a fleet management system what manual methods are used?

The Hon. T.R. GROOM: The replies are as follow:

Department of Primary Industries—Agriculture

1. The fleet management system used by the Department of Primary Industries - Agriculture, called the "Motor Vehicle System", was developed by the Information Systems Branch of the department.

2. No manual methods are now used.

Department of Primary Industries—Fisheries

1. PI (Fisheries) motor vehicle fleet is not large enough to warrant a computerised management system. As Fisheries Unit vehicles become due for replacement, they are replaced by leased vehicles from State Fleet. State Fleet "manages" the Units new vehicles.

2. Each vehicle is equipped with a "Vehicle Log Sheet" which is completed monthly and returned to the Administrative Services Officer for updating kilometres on a Lotus spreadsheet and for internal costing purposes.

Department of Primary Industries—Woods & Forests

1. Woods and Forests uses an "in-house" designed computer system to aid it in the management of its vehicle fleet.

2. Not applicable.

SA Timber Corporation

1&2. A fleet management system is not used since with one exception, all vehicles are hired on a fully maintained basis from State Fleet.

362. **Mr MATTHEW:** How many traffic infringement notices were issued in each of the years 1991 and 1992 to drivers of vehicles owned or leased by each department or agency under the Ministers responsibility, what was the reason for each notice, who paid the fine and if the fine was paid by the department or agency, why was it decided not to make the driver pay?

The Hon. T.R. GROOM: The reply is as follows:

Agriculture Department

For the financial year 1990-91, 19 traffic infringement notices were issued for exceeding the required speed limit, and each officer was responsible for paying his/her own fine. For the financial year 1991-92, 50 traffic infringement notices were issued for exceeding the required speed limit, and each officer was responsible for paying his/her own fine.

Fisheries Department

PI (Fisheries) does not keep records of Traffic Infringement Notices (TINS) although it would appear that all TINS issued to staff were for speeding. All TINS have been paid by the actual drivers concerned and not the unit (in accordance with Commissioners Circular Number 59).

Woods & Forests Department

During the 1991/92 financial year only two (2) traffic infringement notices were directed to Woods and Forests. One was for a parking infringement and the other for alleged excessive speed detected by a camera unit.

In the first instance, the identity of the driver was easily ascertained and the notice forwarded to that person for action. The expiation fee was subsequently paid by the offender.

In relation to the camera detection notice it was not possible to readily identify the driver and the expiation fee has been initially paid by the agency. However, steps are now being taken by the relevant manager to recover the costs. There were no notices received by the agency, as far as can be determined, in 1990/91.

SA Timber Corporation

The only known traffic infringements issued to drivers of SATCO group vehicles have been for speeding offences. The drivers have paid the fine in each instance. One occurrence was reported in 1990-91 and two in 1991-92.

GOVERNMENT BOATS

366. **Mr MATTHEW:** How many boats are used by each department and agency under the Minister's responsibility, what is the name of each boat, who owns it and if it is not owned by the department or agency, what are the terms and conditions of its lease?

The Hon. G.J. CRAFTER: The reply is as follows:

Office of Planning and Urban Development

The State Heritage Branch, Office of Planning Urban Development, own and use two boats to undertake work associated with the Government's Maritime Archaeology program. The boats are a 6.2m Marlin Broadbill named Gem, and a 4.6 Lifeguard inflatable (no name).

The South Australian Housing Trust

The South Australian Housing Trust does not own or operate any boats.

The State/Local Government Relations Unit

The State/Local Government Relations Unit does not own or operate any boats.

The Department of Recreation and Sport

The Sports Division of the Department of Recreation and Sport have purchased numerous boats for use in the Rowing and Canoeing programs. The total boats owned by the Sports Division are:

- 19 x Rowing Racing shells (unnamed, but numbered 12-32)
- 2 x K4 Kayaks (unnamed)
- 9 x K2 Kayaks (unnamed)
- 9 x K1 Kayaks (unnamed)
- 2 x Aluminium safety dinghies for coaching (unnamed)

Athletes in both programs may also have access to other boats owned by the clubs or State Association. This use is at no cost to the Department and there are no other lease arrangements.

373. **Mr MATTHEW:** How many boats are used by each department and agency under the Ministers responsibility, what is the name of each boat, who owns it and if it is not owned by the department or agency, what are the terms and conditions of its lease?

The Hon. M.D. RANN: No boats are owned or used by any of the Departments or agencies under my responsibility.

ASER**403. Mr S.J. BAKER:**

1. Has the exemption granted to the ASER project under Clause 6(1)(d) of the Adelaide Railway Station Development Act expired and if so, what has been the amount of rate, tax, duty or other impost paid to the Government by the contracting parties in each financial year since the expiry of the exemption?

2. On what date did the exemptions granted to the ASER project under Clause 6(1)(a), (b), (c) and (e) of the Adelaide Railway Station Development Act expire and what has been the amount of rate, tax, duty or other impost paid to the Government by the contracting parties in each financial year since the expiry of each exemption?

The Hon. LYNN ARNOLD: The replies are as follow:

1. The exemption does not expire until 17 September 1998.
2. The exemptions do not expire until 17 September 1993. The Indenture recognises that it may be necessary to exempt certain documents stamped after this date from stamp duty.

404. **Mr S.J. BAKER:** For each financial year since the Principles for Agreement dated 1 October 1983 for the ASER project were implemented, what payment has the Government made under Clause 2(d) of the Principles?

The Hon. LYNN ARNOLD: Clause 2(d) of the Principles for Agreement requires the Government

- (a) to sublease up to 11000 square feet of office space in the ASER development for 10 years from practical completion; or
- (b) to pay to the developers a comparable return as if it had leased that area.

I am advised that payment of \$2 146 292 under paragraph 2(d)(b) above was made to the ASER group in April 1990 covering rent for the period from 16 January 1989 to 30 September 1989 together with interest thereon until the date of payment. From 1 October 1989 the required area of office space was leased by the SA Housing Trust. If the Housing Trust

terminates any part of its lease prior to 16 January 1999 a further payment by the Government may be necessary under paragraph 2(d)(b).

GENTING GROUP**405. Mr S.J. BAKER:**

1. Did the former Premier of Western Australia, Hon. B. Burke, reply to a letter of 17 October 1987 from the then Premier of South Australia, Hon. J.C. Bannon, seeking certain information about the Genting Group and if so, what was the date of the reply and will the Premier make a copy of the reply available to the Member for Victoria?

2. Did the former Premier of New South Wales, Hon. B. Unsworth, reply to a letter of 17 October 1987 from the then Premier of South Australia, Hon. J. C. Bannon, seeking certain information about the Genting Group and if so, what was the date of the reply and will the Premier make a copy of the reply available to the Member for Victoria?

The Hon. LYNN ARNOLD: The replies are as follow:

1. Yes, the Hon. B. Burke, former Premier of Western Australia did respond to the former Premier's letter of 17 October 1987. The letter was acknowledged on 21 October 1987, an interim response was sent on 28 October 1987 and a final reply was sent on 27 November 1987. Copies of all the replies will be made available to the Member for Victoria.

2. Yes, the Hon. B. Unsworth, former Premier of New South Wales did respond to the former Premier's letter of 17 October 1987. The letter was dated 10 November 1987. A copy of the reply will be made available to the Member for Victoria."

WATER QUALITY**407. The Hon. D.C. WOTTON:**

1. What tests are made by the E&WS Department on water for Kjeldahl Nitrogen, how often are they made and how are the results expressed?

2. What are the maximum admissible and target level of concentration?

3. What are the ranges of test results from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling and in the Mannum-Adelaide pipeline?

4. How do the results compare with the European Communities maximum admissible concentration of 1mg/l?

5. If the Department's maximum admissible concentration is higher than the European Communities, why?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Tests for Total Kjeldahl Nitrogen are carried out on samples collected from a range of locations including reservoirs and customer taps in Adelaide and from source waters in some country areas. Generally sampling frequencies range from monthly to six monthly.

Results are expressed in milligrams per litre (mg/L).

2. There are currently no maximum admissible or target levels of concentration for Total Kjeldahl Nitrogen. Neither the Guidelines for Drinking Water Quality in Australia, 1987 published by the National Health and Medical Research Council/Australian Water Resources Council nor the World Health Organisation 1984 guidelines specify guideline values for Total Kjeldahl Nitrogen in drinking water.

3. The range of test results from 1 January 1992 are as follows:

System	Total Kjeldahl Nitrogen Range (mg/L)
Adelaide	
· Barossa	0.36-0.60
· Little Para	0.36-0.57
· Anstey Hill	0.30-0.60
· Hope Valley	0.29-0.51
· Happy Valley	0.24-0.53
· Myponga	0.57-0.83
Pt Augusta) Morgan-Whyalla pipeline	1.07-1.60*
Whyalla) near Morgan	1.07 -1.60*
Stirling	0.50 -1.64**
Mannum-Adelaide pipeline	0.42-0.86

* These results are taken from the Morgan-Whyalla pipeline near Morgan. Total Kjeldahl Nitrogen results at this point are higher than in Adelaide because chloramination is used to disinfect the water. The Total Kjeldahl Nitrogen levels are high because ammonia (NH₃) is used in the chloramination process. Previous sampling over a number of years has shown that results at Port Augusta and Whyalla are similar to those obtained in other systems.

** The high result for Stirling was associated with the incidence of algal blooms.

4. Apart from the Morgan-Whyalla pipeline near Morgan and Stirling, which is supplied from the Murray Bridge-Onkaparinga pipeline, the results are less than the European Communities maximum admissible concentration of 1 mg/L.

5. Total Kjeldahl Nitrogen measures both organic nitrogen and ammonia. Organic nitrogen is contained in naturally occurring materials such as proteins, peptides, nucleic acids, urea and numerous synthetic organic materials.

The River Murray has high organic nitrogen concentrations and when ammonia is added with chlorine to produce chloramines for disinfection purposes in water supplies drawn from this source, then slightly elevated levels of total Kjeldahl Nitrogen can result.

408. The Hon. D.C. WOTTON:

1. What chemicals at what concentrations may be deposited in water when it is supplied to consumers?
2. What tests are made by the E&WS Department for these chemicals and at what points in the distribution system are tests made?
3. Does the concentration of these chemicals increase in the distribution system?
4. Do these chemical deposits stain consumers' washing and if not, what substances in the water do?

5. How many complaints about stained washing have been received, by month, since January 1992 and are there seasonal patterns of complaints and if so, what causes them?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Certain pH and carbonate values may result in calcium carbonate deposits but this does not occur in any water supplied to SA customers. However, in combination with elevated temperature in kettles and hot water system calcium carbonate is deposited unless the water has had the moderate level of hardness removed through a water softener.

High turbidity and naturally associated aluminium may also deposit in pipelines. This is rare in treated water supplies. If high concentrations of aluminium (greater than 0.2 mg/L) are present as a result of aluminium salts used in water treatment plants, then post-flocculation may also occur in pipelines.

Deposits that sometimes appear at the customer tap are linked to sediments accumulated in pipelines and generally are a combination of 'dirt', iron and manganese. These are formed by the action of microorganisms in distribution systems particularly in long pipelines where minimal disinfectant remains. These pipeline deposits collect over many years and although the supply of filtered water has decreased their formation, previously accumulated sediments have not been completely eliminated. The Engineering and Water Supply Department has a mains flushing program to control the problem.

2. The Engineering and Water Supply Department undertakes a wide range of analyses in the distribution system. Analyses that identify the potential for deposition include pH, Langelier index, turbidity, iron, aluminium and manganese. These are tested at approximately 500 locations throughout the State both after disinfection (or treatment if a treatment plant is present) and at the customer taps.

3. Generally the pH of the water remains constant in the distribution system, excepting long concrete pipes where there are increases, although these are generally not sufficient to cause deposition. Localised turbidity levels may increase due to disturbance of sediments caused by variations in flow. Aluminium, iron and manganese concentrations in the water are generally constant or reduced. Higher levels may be associated with sediment disturbed from the pipelines.

4. If the water is unfiltered, as in most country supplies, some staining may occur from the water. This can generally be removed by washing without a spin dry cycle.

Staining caused by sediments deposited in the main generally consists of "dirt", iron and manganese and is more difficult to remove. It may require a more vigorous washing or soaking with stronger cleaning agents.

5. The following table shows the complaints regarding stained washing received since January 1992 (for Adelaide). Few complaints have been received from country areas.

MONTH	NUMBER OF COMPLAINTS
January	25
February	48
March	28
April	25
May	13
June	16
July	17
August	11
September	10
October	17
November	34
December	30

There is a seasonal trend with higher number of complaints apparent during the summer months. This is because the warmer weather causes increased water consumption, resulting in increased flows through pipelines and the associated disturbance of sediments.

409. The Hon. D.C. WOTTON:

1. What chemicals in water contribute to corrosion of the E&WS Department's and consumers' pipes?

2. What tests are made for these chemicals by the Department at its outlets and before water flows into consumers' pipes and how are the test results expressed?

3. What are the maximum admissible and target level concentrations?

4. What are the ranges of test results from each testing place from 1 January 1992?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. The chemical constituents of the individual waters will dictate whether they are corrosive. This could be affected by the numerous combinations of situations. Whether a water is corrosive or not can be judged by measuring the pH.

Alum used in water treatment and chlorine used for disinfection are two chemicals which have the potential to contribute indirectly to corrosion because of the resulting reduction in pH.

However, pH control facilities have been implemented where necessary to provide for optimum pH levels to minimise corrosion on both Engineering and Water Supply Department and consumers' pipes.

2. Samples for pH tests are collected from a wide range of locations throughout the State including reservoir and treatment plant outlets, distribution points and taps on customer premises, at intervals ranging from daily to monthly depending on the system.

Results are expressed in pH units.

3. No maximum admissible or target level concentrations are applicable to pH. The Guidelines for Drinking Water Quality in Australia, 1987, published by the National Health and Medical Research Council/Australian Water Resources Council specify a guideline range of 6.5 to 8.5 with a value up to 9.2 being permissible in areas where cement is present in pipe lining materials.

The Engineering and Water Supply Department has adopted operating guidelines for pH of 7.5 to 8.0 for all supplies after treatment and/or disinfection, although values up to 8.4 can be used in chloraminated systems in order to increase the efficiency of this disinfection process.

4. Samples for pH tests are collected from approximately 500 locations and results from 1 January 1992 have ranged from 6.8 to 9.1.

410. The Hon. D.C. WOTTON:

1. What tests are made by the E&WS Department for sodium in water and how are the results expressed?

2. What are the maximum admissible and target level concentrations?

3. What are the ranges of test results from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling?

4. Are there seasonal patterns to the results and if so, what influences the patterns?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Tests for sodium are carried out on samples collected from a range of locations including reservoirs and customer taps in Adelaide and from source waters in country areas.

Results are expressed in milligrams per litre (mg/L).

2. There are currently no maximum admissible or target level concentrations for sodium. However, the Guidelines for Drinking Water Quality in Australia, 1987 published by the National Health and Medical Research Council/Australian Water Resources Council specifies a guideline maximum value of 300 mg/L.

3. The range of test results for sodium from 1 January 1992 are as follows:

System	Sodium concentration Range (mg/L)
Adelaide	
. Barossa	61- 87
. Little Para	80- 96
. Anstey Hill	67- 99
. Hope Valley	51- 82
. Happy Valley	53- 79
. Myponga	54- 69
Pt Augusta	36 - 106
Whyalla	35 - 100
Stirling	45 - 123

4. There are seasonal patterns which are influenced by rainfall in catchment areas. High rainfall generally lowers the sodium concentrations.

411. The Hon. D.C. WOTTON:

1. To what extent are South Australians exposed to lead in water supplied by the E&WS Department and what tests are made?

2. What are the maximum admissible and target level concentrations?

3. What are the ranges of test results from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Lead levels in water supplied by the E&WS Department are very low and well within Australian and international guidelines. Tests for lead are carried out on samples collected from a range of locations including reservoirs and customer taps in Adelaide and source waters in some country areas.

2. There are currently no maximum admissible or target level concentrations for lead. However, the Guidelines for Drinking Water Quality in Australia, 1987, published by the National Health and Medical Research Council/Australian Water Resources Council specify a guideline value of 0.05 mg/L.

3. The range of test results from 1 January 1992 are as follows:

System	Lead Concentrations Range (mg/L)
Adelaide	
- Barossa	<0.001- 0.006
- Little Para	<0.001- 0.002
- Anstey Hill	<0.001- 0.002
- Hope Valley	<0.001- 0.009
- Happy Valle	<0.001- 0.007
- Myponga	0.001- 0.015
Port Augusta) Morgan-Whyalla	<0.001- 0.004
Whyalla) Pipeline near Morgan	<0.001- 0.004
Stirling	0.001- 0.005

412. **The Hon. D.C. WOTTON:** Does the E&WS Department measure the conductivity of water and if so—

- (a) how are the results expressed;
- (b) what are the maximum admissible and target levels;
- (c) what are the ranges of test results from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling?

The Hon. J.H.C. KLUNDER: Yes.

(a) Microsiemens/cm@25°C (4µs/cm@ 25°C).

(b) There are currently no maximum admissible and target levels for conductivity. Neither the Guidelines for Drinking Water Quality in Australia, 1987 published by the National Health and Medical Research Council/Australian Water Resources Council nor the World Health Organisation guidelines 1984 specify guideline values for conductivity.

(c) The range of test results for conductivity from 1 January 1992 are as follows:

System	Conductivity Range µs/cm @ 25°C
Adelaide	
- Barossa	554- 687
- Little Para	758- 830
- Anstey Hill	605- 830
- Hope Valley	525- 736
- Happy Valle	527- 717
- Myponga	488- 591
Pt Augusta	390- 937
Whyalla	394- 927
Stirling	378- 839

413. **The Hon. D.C. WOTTON:**

1. What tests are made on water by the E&WS Department to determine the total hardness, how often are they made and how are the results expressed?

2. What are the ranges of these values for tests made from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling?

3. What are the maximum admissible and target level concentrations?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Tests for total hardness are carried out on samples collected from a range of locations including reservoirs and customer taps in Adelaide and from source waters in country areas. Generally sampling frequencies range from monthly in Adelaide to six monthly in country areas.

Results are expressed in milligrams per litre as calcium carbonate.

2. The range of test results for total hardness from 1 January 1992 are as follows:

System	Total Hardness Range (mg/L)
Adelaide	
- Barossa	83 - 125
- Little Para	154 - 178
- Anstey Hill	117- 145
- Hope Valley	116- 153
- Happy Valley	105 - 145
- Myponga	95 - 123
Pt Augusta	104- 118
Whyalla	111 -125
Stirling	87 - 142

3. There are no maximum admissible or target level concentrations for total hardness. However, the Guidelines for Drinking Water Quality in Australia, 1987 published by the National Health and Medical Research Council/Australian Water Resources Council specifies a guideline value of 500 mg/L.

414. **The Hon. D.C. WOTTON:**

1. What tests are made by the E&WS Department for total organic carbon, where are the samples taken and how are the results expressed?

2. What are the ranges of test results for each test site from 1 January 1992?

3. What are the maximum admissible and target level concentrations?

4. Do the results follow a seasonal pattern and if so, what influences the pattern?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Total organic carbon (TOC) analyses are carried out predominantly on samples from sewage treatment works.

For drinking waters, the dissolved fraction (dissolved organic carbon, DOC) is monitored from reservoir inlets through to customer taps in metropolitan Adelaide, the River Murray and some country locations.

Results are expressed in milligrams per litre (mg/L).

2. The ranges of results for DOC from 1 January 1992 are as follows:

Locations	DOC concentration range (mg/L)
Reservoir Inlets	1.8 - 27.2
Reservoirs (including Blue Lake)	1.1-23.0
Inlets to Water Filtration Plants	3.6 -13.6
River Murray (in SA)	3.1 -14.5
Country Supplies (including some bore supplies)	1.6 - 13.1

3. There are no maximum admissible or target level concentrations. The Guidelines for Drinking Water Quality in Australia 1987 published by the National Health and Medical Research Council/Australian Water Resources Council have no guideline value.

4. Results generally follow a seasonal pattern with higher concentrations in winter months due to higher rainfall and the resultant streamflow suspending a greater proportion of naturally occurring organic material. In the River Murray concentrations increase as flow increases.

415. The Hon. D.C. WOTTON:

1. Does the E&WS Department test water for the hydrogen ion concentration and if so—

(a) how are the results expressed;

(b) what are the maximum admissible and target levels; and

(c) what are the ranges of test results from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling?

2. Are lead pipes used to distribute and supply water in South Australia?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Yes.

(a) pH Units.

(b) No maximum admissible or target level concentrations are applicable to pH the Guidelines for Drinking Water Quality in Australia, 1987 published by the National Health and Medical Research Council/Australian Water Resources Council specifies a guideline range of 6.5 to 8.5 with a value up to 9.2 being permissible in areas where cement is present in pipe lining materials.

The Engineering and Water Supply Department has adopted operating guidelines for pH of 7.5 to 8.0 for all supplies after treatment and/or disinfection although values up to 8.4 can be used in chloraminated systems in order to increase the efficiency of this disinfection process.

(c) The ranges of results for pH from 1 January 1992 are as follows:

System	Total Kjeldahl Nitrogen Range (mg/L)
Adelaide	
· Barossa	6.8-7.7
· Little Para	7.2-7.4
· Anstey Hill	6.9-7.6
· Hope Valley	7.0-7.6
· Happy Valley	7.0-7.8
· Myponga	7.2-7.6
Pt Augusta	6.9-8.6
Whyalla	7.9-8.7
Stirling	7.0-9.1

2. No.

416. The Hon. D.C. WOTTON:

1. What tests are made by the E&WS Department on water for aluminium, how often are they made and how are the results expressed?

2. What are the maximum admissible and target level concentrations?

3. What are the ranges of test results from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling and in the Mannum-Adelaide pipeline?

4. How do the results compare with the European Communities' guideline of 0.05 mg/l, and, maximum admissible concentration of 0.2 mg/l and if the Department's concentrations are higher than those of the European Communities, why?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. The E&WS Department tests for total and soluble aluminium in samples collected from raw waters through to customer taps. The frequency depends on location and varies from 3 times a week to monthly. The results are expressed in milligrams per litre.

2. The E&WS Department's target of 0.2 mg/L is the same as the guideline value given in the Guidelines for Drinking Water Quality in Australia, 1987 published by the National Health and Medical Research Council/Australian Water Resources Council.

3. The range of test results from 1 January 1992 are as follows:

Aluminium Results for Supplies from January '92 Feb '93

System	Total Aluminium	
	Ave (mg/L)	Range (mg/L)
Adelaide (treated water)		
· Barossa	0.126	0.06 -0.211
· Little Para	0.127	0.086 - 0.153
· Anstey Hill	0.103	0.059 - 0.157
· Hope Valley	0.121	0.070 - 0.199
· Happy Valle	0.112	0.039 - 0.233
· Myponga *(untreated water)	0.187	0.045 - 0.401
· Pt Augusta	0.124	0.022 - 0.682
Murray Bridge Onkaparinga Pipeline	2.96	0.686-8.68
Mannum-Adelaide Pipeline	2.94	0.647-5.82

* Water Filtration Plant due for completion in 1993/94.

No results are available for Whyalla but Pt Augusta and Whyalla are served by the Morgan-Whyalla pipeline and have similar levels of aluminium.

Similarly the source water for Stirling is the Murray Bridge/Onkaparinga pipeline and the aluminium results for this are listed as no specific samples are taken at Stirling.

The high levels recorded for the unfiltered supplies drawn from the River Murray through the Murray Bridge - Onkaparinga and Mannum - Adelaide pipelines result from aluminium that is part of the mineral structure of the clay particles in suspension in the River water.

The results in filtered supplies on average conform with the NHMRC/AWRC guideline of 0.2 mg/L which has been set on aesthetic grounds only. The exceedance of the guideline concentration of 0.2 mg/L at Port Augusta has been corrected recently by a change in the chemical used for pH correction at the Morgan Water Filtration Plant.

The European Communities' guideline of 0.05 mg/L is not met in any supply in South Australia. It was not set as a target level for Australian waters and there is no basis, either for public health or aesthetic reasons for such a low level to be set. The NHMRC/AWRC guidelines are in an advanced stage of review and it is known that the current guideline of 0.2 mg/L will be retained. This decision has been made after evaluating available information from Australia and overseas, including a World Health Organisation review not yet published.

417. **The Hon. D.C. WOTTON:** What tests are carried out by the E&WS Department for bacteria, pathogens, parasites and algae on water supplied to consumers, where are the tests carried out, what standards are applied and what are the results of tests from 1 January 1992?

The Hon. J.H.C. KLUNDER: Tests are carried out for coliforms and faecal coliform bacteria, pathogenic amoebae (*Naegleria fowleri*), and planktonic algae. No routine examinations for parasites are made.

For coliforms and faecal coliform bacteria samples are taken from raw waters (including water entering reservoirs, River Murray and groundwaters) through to customer taps. Samples are collected from supply systems all over the state which could support *Naegleria fowleri* including the River Murray.

Samples are collected from reservoirs and the River Murray for examination for planktonic algae. Distribution systems are not examined because algae are eliminated during treatment and/or disinfection.

There are no legal standards for bacteria, amoeba or algae. The Department has the following guidelines and action levels. Bacteria

The Engineering and Water Supply Department operates its supplies to target Levels of Service endorsed jointly by the Minister of Health and the former Minister of Water Resources. They are as follows.

Metropolitan Adelaide

Filtered Water

Coliforms Absent (in 100 mL) in 80% of routine samples. Count in remainder should not exceed 10/100 mL.

Faecal Coliforms Absent (in 100 mL) in 95% of routine samples. Count in remainder should not exceed 2/100 mL.

Unfiltered Water

Coliforms Absent (in 100 mL) in 60% of routine samples. Count in remainder should not exceed 20/100 mL.

Faecal Coliforms Absent (in 100 mL) in 90% of routine samples. Count in remainder should not exceed 2/100 mL.

Near Metropolitan and Country Supplies (> 1 000 people)

These supplies are grouped into type 1 and type 2 Levels of Service which correspond with metropolitan filtered and unfiltered.

Amoebae

There is an "action level" for *Naegleria fowleri*. If this pathogen is detected at a density of 2 per litre or greater, the following action is taken:

- Immediate adjustment to existing disinfection processes or, emergency disinfection measures are implemented.
- Immediate notification to the South Australian Health Commission (SAHC).
- Direct notification of the public (by SAHC), if the numbers of amoebae present an immediate risk to public health.

Algae

There is an "action level" for nuisance planktonic algae if found in metropolitan reservoirs. This varies for different organisms. For blue-green algae (cyanobacteria) copper sulphate is used to prevent blooms if numbers reach 1 000 cells/mL and indicate the possibility of greater growth. This has been incorporated into recent developments with the management of blue green algae by the Australian Centre for Water Quality Research. This work has provided an alert levels framework for blue-green algae for use in water supply contingency plans. These levels range from 500 -2 000 cells/mL up to 15 000 cells/mL depending on the species present and the treatment facilities available. However, these are interim values which require further research.

The results for coliform and faecal coliform analysis for the 12 months prior to end of January 1993 are as follows.

Percentage of samples free from Adelaide Coliforms Faecal Coliforms

	Coliforms	Faecal Coliforms
Filtered		
· Barossa	81.1	96.1
· Little Para	95.1	100
· Anstey Hill	90.5	97.1
· Hope Valley	77	100
· Happy Valley	83.7	96.4
Unfiltered		
· Clarendon	93.3	100
· Myponga	65.5	96.5

Near Metropolitan and country supplies

Naegleria fowleri has not been detected in water supplied to consumers in SA since 1 January 1992.

Monitoring of phytoplankton in reservoirs and the River Murray in 1992 involved a total of 2239 samples. On 12 occasions copper sulphate treatment was required to prevent algae from reaching nuisance proportions in water supply reservoirs. In the River Murray elevated numbers of phytoplankton were detected at some locations in January and February 1992 but no measures were required at the water supply offtakes.

418. The Hon. D.C. WOTTON:

1. What tests are made by the E&WS Department on water for colour, how often are they made and how are the results expressed?
2. What are the ranges of values for tests made from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling?
3. Are there seasonal patterns to the results and if so, what influences the patterns?
4. Where are the samples for testing taken from?
5. How many complaints about the colour of water have been received, by month, since January 1992?
6. What are the maximum admissible and target level concentrations?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Tests for colour are carried out on samples collected from a range of locations from reservoirs through to customer taps in Adelaide and in country supplies. Colour is measured at various frequencies depending on location, ranging from twice weekly to monthly. Results are expressed as Hazen units (HU).
2. The range of test results for colour from 1 January 1992 are as follows:

System	Colour Range
Adelaide	
· Barossa	2 - 10
· Little Para	3 - 9
· Anstey Hill	1 - 15
· Hope Valley	2 - 14
· Happy Valley	1 - 12
· Myponga system	3 - 70
Pt Augusta	<1 - 18
Whyalla	3 - 16
Stirling	5 - 39

3. There are no distinct seasonal patterns in the filtered water supplies. There were no clear trends in the data for the unfiltered Myponga system. Colour was elevated in the River Murray between September 1992 and January 1993 due to high flow.

4. Samples are taken from several hundreds of locations from inlets to reservoirs through to customer taps.

5. The complaints for "dirty" water are as follows. These include colour and turbidity issues and generally result from the turbidity of the water caused by the suspension of very fine particles. The complaints from Stirling cannot be separated from the Adelaide Metropolitan area.

Dirty water complaints 1992

	Adelaide	Port Augusta	Whyalla
Jan	98	0	0
Feb	114	0	0
Mar	67	0	0
Apr	55	0	0
May	64	0	0
June	41	0	0
July	66	0	0
Aug	45	0	0
Sept	34	0	0
Oct	72	0	1
Nov	102	0	0
Dec	99	0	0

6. The Guidelines for Drinking Water Quality in Australia, 1987 published by the National Health and Medical Research Council/Australian Water Resources Council specifies a guideline value of 15 TCU (True Colour Units which is equivalent to HU). The EWS Department's target for customer taps is for colour to be not more than 10 HU in 95% of samples collected on a regular basis from filtered water supplies in the metropolitan area.

419. The Hon. D.C. WOTTON:

1. What tests are made by the E&WS Department on water for turbidity, how often are they made and how are the results expressed?

2. What are the ranges of these values for tests made from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling?

3. Are these seasonal patterns to the results and if so, what influences the patterns?

4. Where are samples for testing taken from?

5. How many complaints about the turbidity of water have been received, by month, since January 1992?

6. What are the maximum admissible and target level concentrations?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Turbidity is measured by determining the degree to which a beam of light is scattered in passing through the water sample, with results expressed as nephelometric turbidity units (NTU).

Sampling frequency varies from twice weekly to monthly depending on the location.

2. The range of results for turbidity from 1 January 1992 are as follows:

System	Ranges of Turbidity in NTU
Adelaide	
· Barossa (Filtered water)	0.1 - 0.7
· Little Para (Filtered water)	0.2 - 4.2
· Anstey Hill (Filtered water)	0.1 - 4.0
· Hope Valley (Filtered water)	0.1 - 1.2
· Happy Valley (Filtered water)	0.1 - 5.0
· Myponga (Unfiltered water)	0.4 - 4.4
Port Augusta (Filtered water)	0.3 - 4.6
Whyalla (Filtered water)	0.4 - 3.0
Stirling (Unfiltered water)	8.2 -170.0

3. There are no seasonal trends for the filtered supplies (Adelaide, Port Augusta and Whyalla).

Variation at Stirling is due to changes in turbidity in the River Murray which tends to increase during periods of high flow.

4. Samples are taken from several hundreds of locations through the state: source waters, tanks and customer taps.

5. The complaints for dirty waters since January 1992 are as follows. These would include turbidity and colour issues.

The complaints from the Stirling area cannot be separated from the Adelaide metropolitan area.

No. of Dirty Water Complaints 1992

	Adelaide	Port Augusta	Whyalla
January	98	0	0
February	114	0	0
March	67	0	0
April	55	0	0
March	64	0	0
June	41	0	0
July	66	0	0
August	45	0	0
September	34	0	0
October	72	0	1
November	102	0	0
December	99	0	0

6. The Guidelines for Drinking Water Quality in Australia 1987 published by the National Health and Medical Research Council/Australian Water Resources Council 1987 list a guideline value of 5 NTU. The EWS Departments target for filtered waters in Adelaide is for turbidity to be not more than 2 NTU in 95% of samples collected on a regular basis from customer taps.

420. The Hon. D.C. WOTTON:

1. What tests are made by the E&WS Department on water for odour and taste, how often are they made and how are the results expressed?

2. Are tests made on water at different temperatures and if so, what temperatures?

3. What are the ranges of test results made from 1 January 1992 on water supplied to Adelaide, Port Augusta, Whyalla and Stirling?

4. Are these seasonal patterns to the results and if so, what influences the patterns?

5. Where are samples for testing taken from?

6. How many complaints about the odour or taste of water have been received, by month, since January 1992?

7. What are the maximum admissible and target level concentrations?

The Hon. J.H.C. KLUNDER: The replies are as follow:

1. Tests for odour are carried out using an American Society for Testing and Materials standard method. Sampling frequency ranges from weekly to monthly depending on the location.

These results are expressed on a 1-5 scale of intensity with a qualitative description of the odour.

For two highly odorous compounds methylisoborneol (MIB) and geosmin more exacting analyses are conducted using closed loop stripping, gas chromatography and mass spectrometry. Samples for this analysis are collected from selected source waters - through to distribution locations. Frequency of monitoring is weekly.

Results for these tests are expressed as nanograms (10⁻⁹ grams) of MIB or geosmin per litre of water.

No routine tests are conducted for taste.

2. The subjective odour test is conducted at room temperature and at 60°C.

The analysis for geosmin and MIB is not affected by ambient temperature.

3. The subjective odour results since January 1992 are:

Adelaide	Room Temperature	Hot (60°C)
- Barossa	0-3 (chlorinous)	0 - 3 (chlorinous)
- Little Para	0-3 (chlorinous)	0 - 3 (chlorinous)
- Anstey Hill	0 - 2 (chlorinous)	0-2 (earthy/chlorinous)
- Hope Valley	0 - 3 (chlorinous)	0 - 3 (musty)
- Happy Valley	0 - 3 (chlorinous)	0 - 4 (chlorinous)
- Myponga	0-3 (chlorinous)	0 - 3 (musty)
Port Augusta	0-3 (chloramine)	0 - 3 (chlorinous)
Whyalla	0 - 2 (chloramine)	0 - 3 (chlorinous)
Stirling	0-3 (disagreeable)	0 - 2 (earthy)

Key

1 = very faint; 2 = faint; 3 = distinct; 4 = decided; 5 = strong

No geosmin or MIB results are available for Whyalla, Port Augusta or Stirling. Metropolitan water samples have only been monitored since November 1992 following the establishment of new equipment.

Adelaide results for the period range from:

MIB	< 1 ng/L to 5 ng/L
Geosmin	< 1 ng/L to 9 ng/L
(Detection limit of 1 ng/L)	

4. Odours such as earthy, musty, and fishy are more common over summer due to greater growth of phytoplankton in the source waters. Geosmin and MIB follow the same pattern.

5. Samples are taken at a range of locations from reservoirs, River Murray through to customer taps.

Samples for MIB and geosmin are taken from the River Murray at various locations, metropolitan reservoirs, filtration plants and selected distribution system points.

6. Customer complaints which specified odours or taste are as follows. Stirling cannot be separated from the Adelaide Metropolitan area.

1992 Taste and Odour Complaints

	Adelaide	Port Augusta	Whyalla
January	17	0	0
February	23	0	0
March	11	0	0
April	5	1	0
May	4	0	0
June	4	0	0
July	20	0	0
August	14	0	0
September	12	0	0

	Adelaide	Port Augusta	Whyalla
October	12	0	0
November	9	0	0
December	12	0	0

7. The Guidelines for Drinking Water Quality in Australia 1987, published by the National Health and Medical Research Council/Australian Water Resources Council do not give a value for odours or odorous compounds but state the water should not be objectionable to most consumers. The E&WS Department objective is to keep the odours at faint or less.

McKINSEY REVIEW

422. Mr BECKER:

1. What recommendations of the McKinsey Review will be adopted by the Government and which sections of primary industry will be consulted before any action is taken if the South Australian Farmers Federation will not be consulted before any decisions are made, why not?

2. When will action be taken to implement programs suggested by McKinsey and what is the estimated cost?

3. What was the total cost of the McKinsey Review and how was this amount arrived at?

The Hon. T.R. GROOM: The replies are as follow:

1. The report of the McKinsey review was released for a public comment period of 10 weeks, and 350 submissions were received by my office and evaluated. I have taken these submissions into account in the recommendations, which were put to Cabinet on March 15, 1993. A summary of the recommendations noted or approved by Cabinet is listed.

(1) Redefinition of the mission of the Department of Primary Industries [PI(SA)] and the South Australian Research & Development Institute (SARDI), to emphasise their economic development role and to focus on maximising the economic value of agriculture to South Australia, in line with the strategy proposed by the Arthur D. Little study.

(2) Cessation of State recurrent funded research & development expenditure in the Northfield Piggery, the Parafield Poultry Research Centre, the Kybybolite Research Centre and the Wanbi Agricultural Centre.

(3) All research centres will operate on a fully commercial basis.

(4) PI(SA) will further examine the portfolio of district offices as part of the progressive implementation of the new management structure, while ensuring no withdrawal of services overall.

(5) Requirement for PI(SA) and SARDI to instigate full cost recovery for all diagnostic tests, and phasing out services for companion animals, allowing takeover of at least the majority of this activity by private laboratories. Transfer of Vetlab's research activities and infrastructure, and the Cereals Section of the State Chemistry Laboratories (SCL) to SARDI. PI(SA) to conduct further investigations leading to the transfer of other Sections of SCL from PI(SA) to SARDI, or to either another Government agency or the private sector. Untying the funding arrangements between PI(SA)/SARDI and SCL over a four-year period for the agricultural component.

(6) PI(SA) intends to undertake a detailed review of program area administrative support with a view to achieving further savings.

(7) Retention of the Rural Affairs Unit and the Rural Finance & Development Division functions in PI(SA).

(8) In PI(SA), program areas are to be established as the primary line management structure, allowing clear accountability for program development and service delivery. Program areas will be Field Crops, Livestock, Horticulture, Forestry, Fisheries, Sustainable Resources, Strategic and Corporate Services, Rural Finance and Development and Primary Industries Marketing and Development.

(9) PI(SA) progressively introducing a range of fee-for-service consultancy services from July 1993, with the primary focus of maximising economic impact on the State's agriculture.

(10) Reduction in the recurrent cost to consolidated revenue of the overall portfolio of research and development projects of \$3.3 million over a four-year period, by increasing reliance on industry funding, and other external funding sources, and reducing the overall number of low value or low priority projects.

(11) Responsibility for managing research projects being under the auspices of SARDI, and extension of research findings relevant to the agricultural industries under the auspices of PI(SA).

(12) A substantial proportion of State funds for primary industries research (to be negotiated with assistance from Treasury) flowing through PI(SA) to SARDI for commissioned research. Furthermore, after an initial four-year period, to allow SARDI to become fully established, this "tied" arrangement will cease.

In relation to consultation with sections of primary industry and with the South Australian Farmers Federation (SAFF), a Client Consultative Committee has been closely involved in the whole process of the review. This Committee had membership comprising the Department's major clients, the Advisory Board of Agriculture (ABA) and SAFF. Union consultation occurred through the GARG/ODR Implementation Review Committee (GOIRC). The Client Consultative Committee has now been disbanded and new mechanisms will be put in place to ensure on-going consultation with relevant sections of the primary industries. GOIRC has now been replaced by a more broad based Consultative Committee to also pick up issues arising from the development of the new Department of Primary Industries.

It is my intention that all relevant sections of the primary industries and the SAFF will be further consulted during implementation of the approved recommendations.

2. Action to implement the recommendations will commence immediately, and the implementation plan will vary depending on particular aspects of each program. The Department of Primary Industries has already appointed a Change Manager who will oversee implementation at the corporate level. In many cases, individual project managers will be identified at the local level and supported by necessary corporate services, to further implementation.

In other cases, recommendations will be implemented by the new program General Managers in PI(SA) and their equivalent in SARDI, who will be responsible for establishing implementation plans in consultation with the specific industries and customers concerned. Job specifications for the PI(SA) positions have already been drawn up and it is anticipated that the positions will be called within the next few weeks.

It is impossible to provide accurate estimates of the costs of implementation until decisions are taken on the various options available for implementing the range of recommendations. Costs of implementing each recommendation will be estimated by the individual project teams as a part of their implementation strategies. For example, the savings in research will need to

occur following a more detailed evaluation of the full range of research projects using the methodology developed by McKinsey. Cost of implementation will depend upon what projects are wound down and the nature and location of the people involved. Likewise the cost of rationalisation facilities will depend on what options are decided upon in terms of leasing or selling current facilities etc.

3. The contract with McKinsey and Co (excluding Departmental input) was for consulting fees of \$740,000 plus expenses (not to exceed 20% of consulting fees). The full fee has not been paid at this stage, as the Department has been examining all the public comment in case some issues arose on which the Department would want further advice from McKinsey on.

MULTIFUNCTION POLIS

427. **The Hon. DEAN BROWN:**

1. How much money has been spent by the Government so far on the MFP?

2. How much money has so far been received by the State Government from the Commonwealth for spending on the MFP?

3. How much of the money from State and Commonwealth sources has so far been spent on the physical development of the Gillman site?

The Hon. LYNN ARNOLD: The replies are as follow:

1. Total expenditure on the MFP from financial year 88/89 up to and including February 1993 is \$12,110,000.

2. Total Commonwealth receipts to February 1993 have amounted to a total of \$5,576,000.

3. All expenditure to date has been on areas such as the Environmental Impact Statement and Supplementary Development Plan, feasibility studies, design and planning consultancies and industry development activities. Work has yet to commence on site.

JUVENILE JUSTICE

429. **The Hon. D.C. WOTTON:**

1. When will the proposed changes to the juvenile justice system be available to the public?

2. What are the plans for the existing Adolescent and Family Services in the Department of Family and Community Services District Offices e.g. their role under the proposed changes and will there be staff changes as a result?

3. Is the Minister aware of the effect workload pressures and uncertainty of job security has had on morale in the Department?

The Hon. M.J. EVANS: The replies are as follow:

1. The Second Interim Report of the Select Committee on Juvenile Justice was tabled on 25th March, 1993.

2. The work of existing Adolescent and Family Teams will be re-focused in line with the Select Committee's recommendations.

This will involve:

- Additional emphasis on preventative and early intervention work.

- Providing expert assessments to Court when requested.

- Arranging and supervising court orders as required.

- Participating in other aspects of the juvenile justice system when alleged young offenders are subject to guardianship orders.

Some re-direction in staff effort will be required as part of the above changes and the need to transfer some resources to other

agencies. The extent and impact of these changes has not yet been finalised.

3. The nature of the Department's work inevitably involves considerable work pressures. It is a credit to staff that they perform their various roles so well.

The changes flowing from the Select Committee's Report will reduce some of those pressures by removing the conflicting roles inherent in the Department's current wide-ranging involvement throughout the juvenile justice system.

The Department has a good record of helping staff affected by organisational and program changes. The Chief Executive Officer and Executive Director Operations are currently meeting with staff at all locations to explain juvenile justice and other directions. No significant morale issues, other than the normal uncertainties expected until individual circumstances are resolved, have been encountered so far.

GOVERNMENT VEHICLES

434. **Mr BECKER:**

1. Why was a sticker reading *A Fair Go - Awards not Contracts* fixed to the rear of Government vehicle, registered VQJ-388?

2. Was the sticker approved by the Minister of the department concerned, the Chief Executive Officer or appropriate authorised officer and if so, why?

3. What guidelines are issued to users of Government motor vehicles displaying non-government names such as stickers publishing political or commercial organisations, or slogans on the body or bumper of the vehicle?

4. What action has been taken in this instance to remove the sticker and ensure similar incidents do not occur again?

The Hon. M.D. RANN: The replies are as follow:

1. The sticker was attached but it is not known by whom.

2. No.

3. This is a State Fleet vehicle. No guidelines of the type referred to are issued by State Fleet.

4. The sticker has been removed. As the user did not put the sticker on the vehicle, no further action has been taken.

440. **Mr BECKER:**

1. Further to the answer to Question on Notice No. 294 - Does the Government have a central policy for repairs and maintenance of motor vehicles?

2. Further to the answer to Question on Notice No. 254, wherein it was stated that State Fleet workshops are not authorised by any manufacturer to perform warranty work; and to the answer to Question on Notice No. 294, why is it that by using State Fleet garages, the warranty on vehicles can be voided?

3. When will these garages be closed or steps taken to ensure that the potential loss is avoided?

The Hon. M.D. RANN: The replies are as follow:

1. State Fleet undertakes repair and maintenance on motor vehicles in their own workshops located at Gilles Street and Netley. Approximately 1/3 of State Fleet vehicles are serviced and maintained in these workshops, with the remainder being undertaken by the private sector.

2. Once it is determined that repairs are required and the vehicle is still under warranty, the matter will be discussed with the manufacturer and a decision made as to whether the repair is undertaken internally or by a Dealer. The decision is based on cost and timing because the vehicle must be taken to the Dealer's premises. In practice, it is unlikely that warranty would

be voided if the work was undertaken in State Fleet. There is minimal work required under warranty.

3. The Gilles Street and Netley Workshops will be merged at Netley early in 1994 and the Gilles Street premises will be available for disposal. Rightsizing of the Mechanic workforce is currently being undertaken.

ADOPTIONS

441. **The Hon. D.C. WOTTON:** Further to the question asked by the Member for Heysen during the Estimates Committee relating to the lack of ongoing funding for post-adoptive services, what provision is to be made after June to ensure that services will continue to be provided to the people affected by adoptions?

The Hon. M.J. EVANS: A number of adoption self help groups and Lutheran Community Services are developing (with the assistance of the Department for Family and Community Services) a submission for ongoing funding. This will be considered as part of the budget process.

MOUNT BARKER CROSSING

442. **The Hon. D.C. WOTTON:**

1. Will the Government take the appropriate steps to have a traffic count carried out on Wellington Road, Mt Barker to determine the number of vehicles crossing the railway line on that road, if not why not?

2. Will the Government make immediate representation to Australian National to have the stop sign at the crossing removed and if not, why not?

The Hon. M.D. RANN: The replies are as follow:

1. Wellington Road, Mount Barker is known to carry approximately 7000 vehicles per day.

2. Australian National is not responsible for the operation of the railway line, which has been transferred to the State Government and is now operated by SteamRanger as the Victor Harbor Tourist Railway.

The Department of Road Transport will negotiate with SteamRanger with a view to the removal of the existing "STOP" signs and their replacement with a suitable warning device.

STATE BANK

448. **Mr BECKER:** Did the State Bank of South Australia hold or sponsor a St Patrick's Day party on 17 March 1993 attended by some 500 guests and if so, why and at what cost?

The Hon. FRANK BLEVINS: The State Bank neither held nor sponsored a St Patrick's Day party on 17 March 1993 of the magnitude suggested. The senior management of the Bank is not aware of any such party even on a smaller scale.

WORKCOVER

450. **Mr BECKER:**

1. Are WorkCover levies being paid by the following companies and if so, when did each respective company start paying levies?

- (a) Australian Packaging Industries;
- (b) Australian Adhesive Industries; and
- (c) Sean Co.

2. How many, WorkCover claims have been made for each of the companies?

3. Was an employee of one of the companies overpaid in December 1992 by WorkCover and has the overpayment been adjusted and if not, why not?

The Hon. R.J. GREGORY: The replies are as follow:

1. (a) Australian Packaging Industries

No levy is currently being paid by Australian Packaging Industries. WorkCover is carrying out investigations to determine if there is any breach of legislation.

(b) Australian Adhesive Industries

Australian Adhesive Industries was the trading name used by Total Packaging Pty Ltd who were registered with WorkCover from 30 September 1987. Levies were paid through to May 1990.

(c) Sean Co

From May 1990 the trading name was used by Seanco Pty Ltd until March 1992 when a receiver/manager was appointed. Seanco ceased to become a registered employer from 20 May 1992. Levy was paid until then.

2. (a) **Australian Packaging Industries**

No Registration Lodged

(b) **Australian Adhesive Industries**

No Claims

(c) **Sean Co**

1 Claim

3. No overpayments made.

MERCURY CINEMA

452. **Mr BECKER:**

1. What was the cost and completion date of the Mercury Cinema?

2. Why did the Minister not foresee the coming budget cuts to the Arts and why did building of the Cinema proceed when private enterprise was already servicing the "art film" market?

3. What feasibility studies were undertaken regarding erection of the Cinema and did any such study take into account that single cinemas have been found to be redundant internationally?

4. Why did the Government not give grants to private cinema operators to show Art Films rather than build its own?

5. What profit and losses has the Cinema made so far from each screening?

The Hon. ANNE LEVY: The replies are as follow:

1. Approximately \$1.2 million. Completed February 1992.

2. The Government made a commitment in October 1990 to develop the site. The specific cultural programming now being undertaken by the Mercury Cinema was not being provided by commercial exhibitors at that time. The majority of films being exhibited at the Mercury would not normally be taken up by commercial exhibitors.

3. KPMG Peat Marwick developed a business plan for the Mercury Cinema in 1991. While single cinemas may be redundant internationally, this is not necessarily the case in Australia. In Adelaide for instance, there are a number of single cinemas which continue to operate effectively. The KPMG Peat Marwick report identified that there was a market niche for the Mercury style of cinema in Adelaide.

4. The programming undertaken by the Mercury Cinema on a full time basis is targeted at a niche market, and can be considered as 'risk' programming. This type of programming would not be taken up by commercial exhibitors on a full time basis as they are not in a position to use screening time in order to show non-commercial product.

5. A deficit of approximately \$30,000 is likely after the first year of operation.