# HOUSE OF ASSEMBLY

**Wednesday 8 February 1995**

**The SPEAKER (Hon. G.M. Gunn)** took the Chair at 2 p.m. and read prayers.

## ANIMAL HUSBANDRY

A petition signed by 135 residents of South Australia requesting that the House urge the Government to phase out intensive animal husbandry practices was presented by Mr Becker.

Petition received.

## CAPITAL PUNISHMENT

Petitions signed by 393 residents of South Australia requesting that the House urge the Government to re-introduce capital punishment were presented by Mr Becker and Mrs Kotz.

Petitions received.

## EDUCATION AND CHILDREN'S SERVICES

A petition signed by 252 residents of South Australia requesting that the House urge the Government not to cut the education and children's services budget was presented by Mr De Laine.

Petition received.

## PRE-SCHOOL EDUCATION

A petition signed by 26 residents of South Australia requesting that the House urge the Government to not cut the pre-school education budget was presented by Mr De Laine.

Petition received.

## HIGHBURY LANDFILLS

A petition signed by 2 573 residents of South Australia requesting that the House urge the Government not to allow landfills in the Highbury area was presented by Mrs Kotz.

Petition received.

## DRUGS

A petition signed by 249 residents of South Australia requesting that the House urge the Government to increase penalties for drug offenders was presented by Mrs Kotz.

Petition received.

## CHILD ABUSE

A petition signed by 249 residents of South Australia requesting that the House urge the Government to increase penalties for child abusers was presented by Mrs Kotz.

Petition received.

## WORKCOVER

**The Hon. G.A. INGERSON (Minister for Industrial Affairs):** I have two documents to table today. The first is the statistical supplement to the annual report of WorkCover 1993-94 compiled by the WorkCover Corporation Research and Analysis Unit, December 1994. It goes into all the details as they relate to Industry Division statistics; it goes into selected injury, major diseases and general claims statistics. It also goes into other claims statistics, days lost claims, number of days lost, duration of days lost claims and selected types. That is the first statistical supplement.

The second is a statistical supplement of medical services and also the annual report to be added to that report of 1993-94. This has also been done by the WorkCover Corporation, in relation to costs incurred by the corporation in respect of the provision of medical and like services. This report looked at all the providers of the hospitals, general provision by medical practitioners, the costs as they relate to particular doctors, and costs as they relate to physiotherapists and chiropractors. It looks at the highest amount of money paid to particular doctors and/or physios. It also specifically talks about the number of services that are used. It has a special area in terms of community payments to psychologists on a month by month basis from 1993-94.

*An honourable member interjecting:*

**The Hon. G.A. INGERSON:** As a member behind me has commented, it also takes into consideration all the hospital charges, whether in a public or private sense. It specifically mentions all the hospitals in the categories 1 to 50. It also talks about the summary of comparison of costs between South Australian and interstate hospitals. It also looks at a lot of other major statistical evidence. I table those reports for the knowledge of the House.

## MEAT CONTAMINATION

**The Hon. M.H. ARMITAGE (Minister for Health):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.H. ARMITAGE:** It has been the Government's policy throughout the epidemic caused by the contamination of certain smallgoods to keep the public fully informed. I should point out that the Government's actions have followed advice that we received from the South Australian Health Commission in line with precedents set following an incident in 1991 under the previous Labor Administration. In this 1991 public health incident, which also involved fermented meats, once the contaminated product was isolated the Government of the day issued a notice of prohibition of sale on the manufacturer. In this case in 1991 a notice was issued in exactly the same fashion as was proposed in this instance: namely, a prohibition of sale notice was issued to the manufacturer and the manufacturer was required to ensure removal of the product from the market.

Before Garibaldi mettwurst had been isolated, the Government had already released two public statements alerting the public to the fact of the epidemic, the need to watch out for certain symptoms and to undertake good hygiene practices with respect to cooking and storing meats. A public statement was made by the Government on 23 January 1995 immediately it had been established that a link had been identified between product from the Garibaldi company and the haemolytic uraemic syndrome infection. On 2 February 1995, I released a detailed chronology highlighting the significant actions taken by Government agencies to that time. Yesterday, the Premier made a further detailed statement to the House.

During Question Time yesterday the Opposition raised a number of issues, to which the Government now responds in further detail to ensure that the public remains fully informed. The Government's initial announcement on 23 January 1995 identified a batch of mettwurst with a use by date of 12 March 1995. This was based on strict epidemiological grounds. The Government's announcement on 23 January 1995 stated:

> At this stage there is no evidence that any other products made by Garibaldi contain the toxin but the Government is seeking the company's cooperation in testing their other products to rule out any similar contamination.

As is established practice, Garibaldi's premises were visited with a view to placing a prohibition of sale on the suspect product. Garibaldi commenced a voluntary recall immediately. The company did not await the publication of the notices, as the Opposition implied yesterday. Garibaldi agreed to undertake a voluntary recall, which is both standard practice and good practice in such cases.

However, recall procedures nonetheless require a company to work in cooperation with the National Food Authority to ensure the appropriate wording of the recall notice. Saturation media coverage had already occurred and businesses were being contacted by phone to stop the sale of the contaminated product when the official recall notices appeared in the paper. I turn to other issues raised by the Opposition. The commission has received many telephone calls relating to Garibaldi products. Many of these calls reflect confusion in the public mind about specific products recalled.

To this point the allegations relating to the specific product, the subject of the initial recall, have not been confirmed. In relation to the powers available to the Government in these circumstances, the immediate objective of the Health Commission after identifying the source of the product contaminated was to stop its distribution and sale. The company immediately guaranteed its cooperation to achieve this objective. On the afternoon of 23 January 1995, concurrent with the Government's announcement, the company took immediate steps to recall all product suspected of being contaminated.

So far as advice to the public is concerned, the Government's initial announcement of 23 January 1995 received wide coverage that evening and the following day and continued to be the subject of media coverage on succeeding days. This was considered to be the most effective form of communication, and there is no evidence that this communication was not effective. In ensuring the full recall of contaminated products, the Health Commission made frequent visits and many phone calls to the premises of Garibaldi. The point about inspections of Garibaldi premises also relates to the investigation of claims of unhygienic practices by the Garibaldi company.

I advise the House that, in relation to allegations of unhygienic practices carried out at Garibaldi's premises, officers of the police have begun making inquiries. In closing, the Government maintains that all its agencies and all its officers responded quickly and appropriately to this epidemic. At all times the Government responded promptly to the advice of its public health officials. What the Opposition is claiming is that some or all of those officers were negligent in their duty and that, as a result, lives were placed at risk in cavalier fashion. The Government rejects that allegation entirely and contends that all its actions have been in line with completely appropriate precedent.

### LEGISLATIVE REVIEW COMMITTEE

**Mr CUMMINS (Norwood):** I bring up the fifteenth report 1994-95 of the committee and move:

That the report be received and read.

Motion carried.

**Mr CUMMINS:** I bring up the sixteenth report 1994-95 of the committee and move:

That the report be received.

Motion carried.

## QUESTION TIME

### MEAT CONTAMINATION

**The Hon. M.D. RANN (Leader of the Opposition):** Will the Minister for Health release all documents relating to the HUS food epidemic for the scrutiny of this Parliament and the public, including advice given to the Minister by the Health Commission as to the use of his statutory powers to prohibit the sale of contaminated mettwurst by both the manufacturer and retailers?

**The Hon. M.H. ARMITAGE:** First, in relation to statutory powers, I would have thought that, if the Leader of the Opposition had listened to my ministerial statement, he would realise that all the statutory powers undertaken in 1995 are exactly the same—

*The Hon. M.D. Rann interjecting:*

**The SPEAKER:** Order! This is an important question. The Leader was heard in silence. The Minister will be heard in silence.

**The Hon. M.H. ARMITAGE:** All the statutory powers used in 1995 are exactly the same statutory powers that were used in 1991. I should indicate that the 1991 episode related to a wedding which occurred on 16 February. The then Government issued a notice on 8 March—three weeks later—prohibiting sale of the product. I would have thought that, considering that that was an indexed population of guests at a wedding, it behoved the Government of the day to work much more swiftly than may have been the case. Indeed, once again, the fact that officers of the Public and Environmental Health Department and the IMVS and doctors from the Women's and Children's Hospital were so quick to isolate this incident is yet another example not of questioning and problems that the Opposition seems to want to raise but of how well this has all worked.

Since all these matters have been under discussion within the commission, a number of these sorts of incidents relating to statutory powers, decisions that will be taken and so on have been the subject of discussions rather than any documentation. It is just the point that I am making. Indeed, in many of these instances, there is simply no documentation of what will be done.

*The Hon. M.D. Rann interjecting:*

**The Hon. M.H. ARMITAGE:** There is advice according to precedent. As I said in my ministerial statement, nothing that was done in 1995 was not done in 1991.

### WINE INDUSTRY

**Mr BROKENSHIRE (Mawson):** Will the Premier report to the House on the latest growth prospects for the wine industry—

**Mr Foley:** In your electorate.

**Mr BROKENSHIRE:** Exactly—following the opening today of a major new warehouse at Reynella by BRL Hardy Ltd? This morning the Premier opened yet another development in my electorate, namely, a $3 million warehouse, which coincides with a major expansion by the company of vineyard plantings, crushing and processing. The warehouse will provide storage for the equivalent of seven million bottles of wine.

**The Hon. DEAN BROWN:** Yes, I had yet another one of those memorable occasions this morning with another well-known South Australian company expanding its operations. I was delighted to be able to announce that BRL Hardy is embarking on a $50 million expansion of its operations, largely here in South Australia. A key part of that is the opening today of a $3 million warehouse complex which will do all the company's wine bottling at Reynella. It is a warehouse that will hold seven million bottles of wine. Here is Australia's second biggest wine producer now in the top 10 wine producers of the world. Through this $50 million it is investing very significantly in new vineyards here in South Australia. There are some interstate as well, but predominantly they are here in South Australia, because we are after all the wine State of Australia.

The good news is that it is part of a further expansion of the wine industry of this State. The fact that the wine industry has been achieving a 45 per cent annual compound growth rate in sales on the export markets since 1987 must be applauded. That is a fantastic achievement. The objective is to ensure that we double those exports between now and the year 2000, and a crucial part of that is the sort of $50 million investment announced this morning by BRL Hardy.

I am also delighted to say that it means further jobs in the southern suburbs of Adelaide. Yesterday I talked about new development in relation to a lens manufacturer: today it is to do with the wine industry and further substantiating literally hundreds of new jobs in the southern suburbs of Adelaide—an area that the previous Labor Government had completely forgotten. It was the forgotten south under the previous Labor Government but that is no longer the case: the southern suburbs have some very effective local members of Parliament who are fighting to attract new industry to their region.

## MEAT CONTAMINATION

**Ms STEVENS (Elizabeth):** Why did the Minister for Health fail to take decisive action under the Food Act on 30 January to prohibit the sale of contaminated meat products at retail outlets when it became clear that Garibaldi's recall was not effective? The Minister's chronology of events indicates that, seven days after the source of the epidemic was identified, Public Health officials raised concerns that not all products had been removed from retail outlets. Some retail premises did not receive local government notices until late on Friday 3 February.

**The Hon. S.J. BAKER:** I rise on a point of order, Mr Speaker. This is substantially the same question that was asked and answered yesterday. I am sure that the honourable member did not listen to the ministerial statement yesterday and that the Minister will have to answer the question again. However, there is repetitive questioning taking place in this House.

*Members interjecting:*

**The SPEAKER:** Order! The Chair will allow the question. I listened to the honourable member's question carefully because yesterday the honourable member was making much comment. That has not been the case to this stage today. I am prepared to allow the question, but I point out to the member for Elizabeth and other members that it is contrary to Standing Orders to ask the same question on more than one occasion.

**The Hon. M.H. ARMITAGE:** The Opposition seems to be making much of the fact that, under our statutory obligations, we did not do enough. I will continue to repeat until it gets through the skull of some members opposite: in 1995, first, we have done everything that was appropriate; secondly, we have done everything that was necessary; thirdly, we have taken action in the appropriate time; and, fourthly, we have done exactly what was done in 1991. The only difference between the action taken in 1995 and 1991 is that the actual prohibition of sale on Garibaldi products in 1995 was not issued, the reason for that being that, when the factory was inspected by officers of the Health Commission on 23 January, there was no product to sell. That is the only difference between the action taken in 1995 and the action taken in 1991. As I identified in my ministerial statement, in 1991 the manufacturer in question, to which the then Government issued the prohibition on sale—

*Ms Stevens interjecting:*

**The SPEAKER:** I warn the member for Elizabeth.

**The Hon. M.H. ARMITAGE:** The manufacturer in 1991 was required to ensure removal of the then product from the market, exactly as has happened in 1995. There is absolutely no difference in the way this matter has been handled.

However, I again draw the attention of the member for Elizabeth to the fact that there has been some confusion in the minds of the public as to exactly what products were to be recalled—not what the name of the manufacturer was, because everybody knew that. We have heard countless tales of that, but we also have countless examples where people have rung the Health Commission and said at various times since 23 January that there have been Garibaldi mettwursts on sale. On checking—and I know of a number of examples of this—by the Health Commission officers with the retail outlets, it was found that those products were cooked Garibaldi products or totally different products altogether. As I have said, there have been elements of confusion but not in relation to the specific producer. As far as the statutory obligations are concerned, 1995 is exactly the same as 1991, and I contend that in 1995 it is completely appropriate.

## BANK OF SOUTH AUSTRALIA

**Mr BECKER (Peake):** My question is directed to the Treasurer. What options does the State have for the sale of the Bank of South Australia? Recently, there have been a number of newspaper reports indicating that the process to sell the Bank of South Australia is well under way and that information has been distributed to interested parties. At the same time, some concern has been expressed about why the Government needs to sell the bank.

**The Hon. S.J. BAKER:** I will answer the second part of the question first so that we have it on the record to make sure everybody clearly understands. The issue of whether we do or do not sell the bank was satisfied during the time of the former Government. The former Government received what we could class as a reasonably generous package from the Commonwealth at the time of the Federal election. It was probably more an election donation than a commitment from the Federal Government, because we know exactly what the

Federal Government thought about the previous Government at the time.

In current dollar terms, the price for the bail-out was $650 million. We have received a large proportion of that amount already, and at the end of this financial year there will be only $75 million outstanding to be paid over. We have received a substantial amount of the money that was promised at the time. The Government also guaranteed a number of things and we are living by those guarantees. One such guarantee was that not only would the bank be sold but, irrespective of the time of that sale, the bank would come under the Federal tax jurisdiction. As we all know, this was assented to in the Parliament, and from 1 July 1994 the bank was subject to Federal income tax. Therefore, the dividend that would come back to the Government as a result of owning that entity or the tax equivalent is no longer available to the budget.

The third area agreed to was that there would be a substantial reduction in the debt, including a reduction in the recurrent deficit which was of the order of $400 million to $500 million, depending on what accounting system you follow. Whilst their system was not going to work, we have also dedicated ourselves to that task and the Commonwealth has given us a tick on that matter. They were the undertakings that were given at the time. There is no going back in the system because to fail to meet the obligation to sell the bank would mean that the Commonwealth would wish to recover $650 million. At the same time, we would forgo the sales proceeds of the bank of somewhere between $550 million and $750 million.

The impact on debt, if we chose a figure of, say, $700 million as the sale price, would be an escalation to the tune of $1 350 million if we did not sell the bank. In terms of our current interest rates, that means that the $145 million extra per annum on the forward estimates would have to be found as against a conceivable dividend of about $35 million a year that would be coming to the Government as a result of any profits being made by the bank. So, the net cost each year of not selling the bank is about $110 million. For basic economic reasons and all the other reasons that we have previously expressed, including getting out of risk management associated with financial institutions, the bank must be sold.

As to the process we are following, I noted that the member for Playford just before Christmas (and I smiled at the time) said, 'I wish they would get on with selling the bank.' Indeed, the sale process was under way at that time. It was given some publicity and we released the details. We have an information memorandum being circulated to all interested parties: either those who have been involved in bidding for banks in other jurisdictions or those who have come through my door and expressed interest, plus a number of others who have approached us since then, including Australian as well as overseas interests.

The process will follow its course. At this stage we are not committed to a final outcome whether it is a trade or a float sale, although obviously a trade sale now takes on a much higher profile than it did when we came into Government.

*Members interjecting:*

**The Hon. S.J. BAKER:** No. When we came into Government the sums on the float were far better—

**Mr Foley:** They never were.

**The Hon. S.J. BAKER:** They were. Members may recall that the All Ordinaries Index was travelling at 2200 at that stage and, if the bank had been in good enough shape to be sold then, we would have made a very large dollar at the time, but the bank was not in any shape to sell at that stage. We have not finalised the outcome. We have simply said to all interested parties, 'You tell us what you believe the bank is worth and what you are going to do for the economic development of this State.' The question whether we can preserve some decision making, retain our employment base, and all those issues will be fleshed out in the sale process. We are not into the same exercise that has been undertaken in other States where there have been great expectations and significant losses simply because processes were not followed in a professional fashion. If anyone is under any misapprehension in this matter, I hope it has now been cleared up.

## MEAT CONTAMINATION

**Ms STEVENS (Elizabeth):** Does the Minister for Health stand by his statement yesterday that health officials inspected the Garibaldi factory on 23 January? The Director of Public Health, Dr Kirke, told the *7.30 Report* on 1 February that until 25 January the only contact between health officials and Garibaldi had been by telephone.

**The Hon. M.H. ARMITAGE:** I stand by my statement according to the advice I was given twice yesterday and once today.

## WATER SUPPLY

**Mr BUCKBY (Light):** Can the Minister for Infrastructure provide the House with a progress report on the proposed pipeline from Bolivar to provide a treated water supply for the Virginia market gardeners, and can he explain the benefit to growers and how the MFP, the EWS and the Economic Development Authority are involved in the project?

**The Hon. J.W. OLSEN:** This is an important project. It is unique within Australia, and agencies of Government have been working cooperatively with the MFP to bring about a successful conclusion to the project. I think on about 18 January I met with growers from the Virginia triangle to put to them some basic principles that they would have to comply with prior to the State Government's signing off on such a scheme. Some of those principles are that there would have to be a requirement for a take and pay arrangement for 40 000 megalitres, which is about 80 per cent of the total Bolivar output. The net benefit of that is one involving an environmental aspect, because we will not be discharging into Gulf St Vincent 40 000 megalitres of pollutants which have an impact upon our sea grasses in the gulf, on our fish breeding grounds and also on our export markets, including considerations not the least of which is to bring this matter into line with future EPA requirements.

If the scheme is successful, it will allow the redirection of that water to the northern Adelaide plains for the development of export products for sale in the future. The project will be user driven; that is, the irrigators in the Virginia triangle are the people whom we want to own the business plan of the scheme. If this scheme is to work, the local growers must be committed to it, participate in it, and develop a business plan for the take and pay of the 40 000 megalitres, which is 80 per cent of the discharge into Gulf St Vincent, as I indicated a moment ago. Following that meeting, we had a very positive response from the growers. The growers are being impacted by the lack of rain, the finite resource of bore water and the salinity in that bore water which is restricting the range of vegetables they can grow in that region. Therefore, with the agreement of the growers in the Virginia area, they have gone

away and will present a business plan to me within four weeks from now.

The Government put through legislation last year to establish irrigation trusts. It is proposed that the Virginia growers would form an irrigation trust for the purposes of management of this water and the acceptance of take and pay. The respective agencies of Government are working them, and the MFP is assisting with funding a consultant for them to prepare and develop their business plan for presentation back to me and subsequently to Cabinet. It is a unique scheme, which will stand South Australia in good stead in marketing innovative projects such as this interstate and overseas. The EWS is providing advice and leadership and is working with the growers from its Bolivar headquarters. The MFP is providing administrative support and has assisted with the funding of the consultancy to which I have referred. The EDA is ensuring that industry opportunities are explored, and South Australian growers and other suppliers in the community stand to gain at the time when the environment will be improved as a result of this scheme. In other words, it is a win project all round for South Australia and it will mean jobs for South Australians.

## WATER RATES

**Mr FOLEY (Hart):** Will the Minister for Infrastructure change the system which requires the account for all water used by people living in unmetered units to be charged to unit holder No.1? The introduction of the Government's user pays water system and the abolition of the free water allowance means that the No.1 unit holder will now be legally liable for all water consumed by groups of unmetered units.

**The Hon. J.W. OLSEN:** I am pleased that the member for Hart has posed this question. Let me trace a little bit of history. The scheme in place today was put in place in 1954. For 41 years this scheme has been operating in South Australia. I point out to the House that the member for Hart is such a political hypocrite in raising this new policy option—

**The SPEAKER:** Order! The member for Giles has a point of order.

**The Hon. FRANK BLEVINS:** The use of the word 'hypocrite' constantly jars in Parliament.

**The SPEAKER:** The Chair cannot uphold the point of order. The honourable Minister.

**The Hon. J.W. OLSEN:** It demonstrates the sensitivity of members opposite, who for 41 years had the opportunity to fix the scheme and took no action in relation to that. It is also well to note that in 1991 the former Labor Administration changed a component of the billing and water pricing system in South Australia. Did it take any corrective action then? No, Mr Speaker. In addition, the scheme was subsequently amended on two occasions. Did the Labor Party take any action to correct it? No, it did not. The simple fact is that Minister Lenehan said in the early 1990s that this matter had to be reviewed and corrected. Did Minister Lenehan get any results from that review? The answer is 'No', Mr Speaker. Then Minister Klunder took over the scheme. Minister Klunder was well known for taking no action on any policy issue or problem before the Government. That is why former Minister Klunder is no longer in this Parliament. What did this Government do as a result of the change in 1993? Despite 41 years—

*Members interjecting:*

**The Hon. J.W. OLSEN:** Would you like to listen? I will get to your answer. After 41 years this Government has taken some action. In the first six months we changed the legislation to require from 1 July 1994 that developers provide an individual water meter service to every strata title unit that is built. It is untenable—

*Members interjecting:*

**The SPEAKER:** Order! There are too many interjections. The member for Hart has had a fair go.

**The Hon. J.W. OLSEN:** You asked the question. I can assure the member for Hart that he will get the full serve today; just wait. We have corrected the problem for the future. It is unreasonable to expect a Government, with the wave of a magic wand, to correct 40 years of policy indiscretion and policy avoidance, but we have taken some action to do that, because the EWS Department, soon to become the South Australian Water Corporation, will be a customer orientated service and is moving down the path—

*Members interjecting:*

**The Hon. J.W. OLSEN:** We might see who is laughing on the other side of their face in a moment. Bide your time. It will be a customer orientated service, looking after the interests of South Australian consumers. So what range of choices will be given? We should recognise that to overcome the problem of the Labor Party of the past decade or two or three or four would take $20 million of community funds. Throwing money at the problem—money which this Government has not got as a result of Labor policies of the past—is not the answer. The answer is to go out to the strata title units in South Australia and put in place a range of options that might meet their requirements and needs for the future.

*Mr Foley interjecting:*

**The SPEAKER:** Order! The Chair has been most tolerant. I suggest that, if the member for Hart wants to see out the afternoon, he should cease interjecting.

**The Hon. J.W. OLSEN:** Thank you, Mr Speaker. In order to meet that customer oriented base of the EWS of the future, unlike the past, and as the Government wants to meet the needs and requirements of consumers in future, for a number of months now—and the first meeting took place in November-December last year—we have been pursuing a range of options within the agencies. I will outline some of the options that will be offered. Previously the Labor Administration forwarded the bill to unit No. 1 or, at the request of the strata title corporation, to another unit holder to be divided up. What is the range of voluntary options that will be put to strata title unit holders? We should bear in mind that 45 per cent of strata title unit holders in the past had the scheme whereby No. 1 received the bill and divided it amongst the lot. So 45 per cent of them, or half—

*Members interjecting:*

**The Hon. J.W. OLSEN:** They even got their facts wrong last week. When the member for Hart tried to raise this issue, he was confusing two separate policies just trying to beat up the issue and get a headline. Interestingly, after the truth on that was exposed, a couple of television channels dropped the story, as they should have done. It was wise judgment on their part. It is not 90 000 strata title unit holders in South Australia—

**Mr Foley:** How many?

**The Hon. J.W. OLSEN:** Some 55 000, so you were only about half out, of which 45 per cent in past years, under the Labor Administration, implemented this scheme. Therefore, it is hypocritical of the honourable member to come into this

Parliament and suggest that overnight there should be a change. In fact, this Government will give choice to strata title unit holders. I will indicate the five choices that will be offered to strata title unit holders, and it will be interesting to see the member for Hart's reaction. It is a voluntary scheme open to the strata title unit corporations to put in place. The EWS will offer this scheme to strata title corporations, and it will be their choice. We will work with them to work out which choice they want to make. We will divide the water use equally amongst the units, if that is their choice. We will apportion the water use between the units, as the strata title corporation has determined, amongst those unit holders—

*Members interjecting:*

**The SPEAKER:** Order! The members for Elizabeth and Hart are both warned.

**The Hon. J.W. OLSEN:** —or we will send the total bill to the strata title corporation secretary, just as a range of other bills go to the strata title corporation secretary, to be disbursed amongst the unit holders. They can install an individual meter, read by the strata title corporation, to determine the usage of each unit. A fifth option is that, like most other residents and new consumers of water in South Australia, they can get direct access at the same price as everybody else. We will look at a scheme for strata title units whereby their costs can be reduced by outsourcing and getting competitive private sector prices. Five voluntary options will be put to strata title corporations for them to operate in future, and the choice will be theirs. Unlike the Labor Party, which sat on its hands for decades and did nothing, this Government, from its first parliamentary sitting, sought to take confusion out of this question and to correct the policy options for the future.

*Mr Clarke interjecting:*

**The SPEAKER:** Order! If the Deputy Leader of the Opposition anticipates having an involvement this afternoon, I hope that he will be here to be involved.

**The Hon. J.W. OLSEN:** I understand what it is like to be in Opposition. I spent 12 years over there. I know what it is like when you do not have an issue to raise and you are desperately searching for something.

**The Hon. FRANK BLEVINS:** I rise on a point of order, Mr Speaker. Whilst I appreciate the degree of difficulty that the Minister is having, I believe that 15 minutes to answer a question is a little excessive.

**The SPEAKER:** I suggest that the Minister round off his answer.

**The Hon. J.W. OLSEN:** Thank you, Mr Speaker. I have actually enjoyed this question like no other in the past 18 months. I should like to make one final point. Circumstances in South Australia are no different from circumstances in every other State in Australia with respect to strata title units. The problem here is experienced in every other State in Australia. Despite that, we have not ignored the problem. We have come up with a range of options, and the voluntary choice will be that of the strata title corporations.

## MEAT CONTAMINATION

**Mr MEIER (Goyder):** Is the Premier concerned that the South Australian—

*The Hon. Frank Blevins interjecting:*

**The SPEAKER:** Order! I suggest that if members want to remain on the question list they should cease interjecting.

**Mr MEIER:** Is the Premier concerned that the South Australian smallgoods industry, which employs 1 500 people and has an annual production of more than $100 million, may suffer a major loss of jobs and production if false allegations about contaminated smallgoods continue to be made?

**The Hon. DEAN BROWN:** Yes, I am concerned at the extent to which the Labor Opposition in South Australia has followed a policy of very tacky politics. This morning Opposition members telephoned some of the media and said, 'We have substantive new information to bring up in the House this afternoon.' We have had three questions, and they have now changed to another subject. Where is that new information? When will the Opposition stop playing these tacky politics by which it is deliberately trying to drag down the Government in what is a human tragedy? It is most unfortunate that when an Opposition, which has a perfect right to ask questions about—

*The Hon. M.D. Rann interjecting:*

**The SPEAKER:** Order!

**The Hon. DEAN BROWN:** The Leader of the Opposition and the member for Elizabeth have a perfect right to ask questions about the administration of the crisis that has occurred concerning meat contamination, but they have gone substantially beyond that. They stood in this House yesterday and today and made a series of allegations for which they have produced no evidence whatsoever. I pick up the motion foreshadowed by the member for Elizabeth earlier today in which she has made not the same allegations as yesterday—

**The SPEAKER:** Order! I advise the Premier that he cannot debate that motion at this time.

**The Hon. DEAN BROWN:** I do not intend to debate the motion, Mr Speaker. I refer to the fact that the Opposition does not bring this up as an urgency motion today; it does not ask for the Standing Orders to be suspended—

**The SPEAKER:** Order! I anticipate that the Deputy Leader has a point of order.

**Mr CLARKE:** My point of order, Sir, relates to Standing Order 98, which provides:

> In answering a question, a Minister or other member replies to the substance of the question and may not debate the matter to which the question refers.

*Members interjecting:*

**The SPEAKER:** Order!

*The Hon. M.D. Rann interjecting:*

**The SPEAKER:** Order! The Leader will not continue to interject while the Chair is making a ruling. There has been a tendency for members to take frivolous points of order. It has happened on both sides of the Chamber, purely to disrupt the member answering a question. I point out to members that there are Standing Orders to deal with those sorts of actions, and the Chair will enforce them.

**The Hon. DEAN BROWN:** The Labor Party, if it has any substance behind its claims and allegations, has a chance to suspend Standing Orders to debate a motion of urgency or a vote of no confidence against the Government. The Leader of the Opposition lacks the courage or commitment to do so. Listen to him. Look at him: he is like a squealing little rat. He is sitting there like a squealing rat.

*Members interjecting:*

**The SPEAKER:** Order! The Chair would suggest to the Premier that those comments, even if they are unparliamentary, are unnecessary, and I would suggest that he rephrase his comments or withdraw them.

**The Hon. DEAN BROWN:** Instead of asking for Standing Orders to be suspended and moving an urgency motion the Opposition intends to take up private members' time tomorrow, knowing that the motion will take the next two to three months to debate. That is how unimportant their

so-called new evidence is. It is time for the Labor Party in this State, as the official Opposition, to either put up or shut up. I point out the enormous damage it is doing to the smallgoods industry of South Australia by trying to perpetuate this issue from one day to the next.

This industry, which employs over 1 500 people, has a turnover of $100 million or more. It is struggling—it is on its knees in the present crisis—and what does the Opposition do: it makes these vague allegations for which it has no substantive evidence whatsoever. The Minister for Health, yesterday and today, produced the evidence and the documentation. The allegations of the Opposition no longer stand up to scrutiny—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. DEAN BROWN:** —yet the Opposition seeks to drag this issue on, not only yesterday, today and tomorrow but it will be week after week with its private members' motion. I highlight to the House, as I highlighted to the House yesterday, that the industry needs reassurance in terms of the quality of the product it is supplying. The consumers of South Australia need reassurance. The medical staff at the Health Commission, the hospitals involved, and the IMVS have been working their hearts out day and night trying to identify the source of contamination and to remove the threat to the public. It is time for the Opposition to shut up, unless it has substantive new information. If that is the case, it should suspend Standing Orders, produce the evidence and let us debate it.

## WATER METERS

**Mr FOLEY (Hart):** My question is directed to the Minister for Infrastructure.

*Members interjecting:*

**The SPEAKER:** Order! I would suggest to members on my right that the same Standing Orders apply to them.

**Mr FOLEY:** What would be the cost of purchasing and installing EWS meters, including plumbing, to unmetered units, and what would be the cost of the alternative of installing private check meters on each unit? On 6 February, and again today, the Minister said that people living in unmetered units could solve the problems caused by the new water rating system by having the EWS install a meter, or perhaps take the cheaper option and install a $70 private check meter of their own. The cost of private check meters to people living in South Australia's 90 000 units would total more than $6.3 million, excluding installation costs.

*An honourable member interjecting:*

**The SPEAKER:** The honourable member's interjection is completely out of order.

**The Hon. J.W. OLSEN:** The fees required to establish an individual EWS meter are set by regulation each year, as they were under the former Administration. The honourable member knows full well what that fee is, and it has not changed significantly since the change of Government—a few dollars, perhaps. That covers that point. Nothing much has changed. In relation to individual services, I refer the honourable member to the Yellow Pages. A number of companies can supply individual meters, and he can go out and get a competitive bid to provide the service.

## TOURISM COMMISSION

**Mrs HALL (Coles):** My question is to the Minister for Tourism. What benefits have been obtained for South Australia from the sponsorship of major events provided by the South Australian Tourism Commission?

**The Hon. G.A. INGERSON:** I thank the member for Coles for her interest in this area. A few very significant events have occurred for the first time in South Australia. One of the most significant events was the Australian Women's Golf Union event at Royal Adelaide just prior to Christmas. It was the first time the event had been held in Australia for 15 years. It came about due to the efforts of two South Australians in the Tourism Commission. In fact, the Sensational Adelaide promotion, which was very successful during the Grand Prix, continued into the Australian Women's Golf event.

This week we are also part-sponsors of the South Australian Golf Open. A combination of work involving the Tourism Commission and the Ford Motor Company enabled us to revitalise the South Australian Golf Open. That is a male event, and so we have been able to support 50 per cent of the community in both instances. An important cycling event was also held in South Australia. This State is renowned as the leader in cycling training, and Charlie Walsh is the most significant coach in the world. A Madison event was held at the velodrome, which was also successfully sponsored. Those three events are estimated to have brought into South Australia an extra 2 000 visitors who may not have come here for other reasons.

One of the most important events with which we were associated this year was the Sydney-Hobart race in which the *One and All* was sponsored by the State Government. The *One and All* acted as the radio ship during that event. The dollar benefit to the State will be enormous because the flow-on, the involvement and the use of that vessel, particularly in other States, and the use of the sponsorship of that vessel right around Australia, will be enormous.

Probably the most important event the Tourism Commission has been involved in was the Sensational Adelaide Grand Prix. From the preliminary figures that have come out, it looks as if we will have completely run the event at about $1.25 million more cheaply than it has been run previously, and the sponsorship put up by the Government will almost completely be absorbed by making the event more efficient and a better sponsorship event in comparison with any other run previously in this State.

## WATER RATES

**Mr FOLEY (Hart):** Will the Minister for Infrastructure confirm that private check meters installed in units and recommended by the Minister will not be recognised by the EWS and that unit number 1 will continue to be held legally liable for the payment of the total account?

**The Hon. J.W. OLSEN:** The answer is 'No': legally they would not be required to pay the account. If the member for Hart had listened to my answer to his first question, he would know that there are multiple voluntary choices now available to strata corporations. It will be up to the strata corporation to determine which—

*Mr Foley interjecting:*

**The Hon. J.W. OLSEN:** Well, you are a slow learner, obviously, and you did not pick up the answer to the first question. I suggest that the honourable member obtain his copy of *Hansard* tomorrow and pour over it slowly, and it might register. The position is this: there will be a multiple voluntary choice for strata title corporations to put in place, and the South Australian Water Corporation, the EWS, will

amend the computer system to print out bills as the strata corporation determines is in its best interests. We cannot provide a better service than that.

## ABORIGINAL ATHLETES

**Mrs PENFOLD (Flinders):** Will the Minister for Recreation, Sport and Racing advise the House of recent initiatives designed to identify and develop talented young Aboriginal athletes? I am aware of the opportunities that exist for school age children through sports camps and talent and development squads, and now interstate competition, but I am also aware that it has often been more difficult for young Aboriginal people to avail themselves of these opportunities, particularly when living away from the major centre of activity here in Adelaide.

**The Hon. J.K.G. OSWALD:** I am very pleased this afternoon to be able to announce that a plan is being implemented by my department to implement sports camps for talented Aboriginal children of the ages of 11, 12 and 13 initially from Eyre Peninsula as a pilot program.

**Mr Becker:** It is a pity that the Leader of the Opposition is not here.

**An honourable member:** It is Question Time.

**The Hon. J.K.G. OSWALD:** It is Question Time. He has probably gone out to have a hastily convened press conference.

*Members interjecting:*

**The SPEAKER:** Order!

*Members interjecting:*

**The SPEAKER:** Order! The Minister for Recreation, Sport and Racing has the call. I suggest to members that he does not need the assistance of the member for Peake or the Deputy Premier.

**The Hon. J.K.G. OSWALD:** The major objective of this important program is to provide an opportunity to identify and develop talented young Aboriginal people who have not necessarily had the opportunity or encouragement to attend the current State sporting associations' sports camps programs. Involvement in the pilot program is expected to lead to the immediate inclusion of these young Aboriginal athletes within the State sporting associations' talent programs at the higher levels for further development. The sports include baseball, basketball, softball and tennis.

The children will be invited to attend a camp initially at Port Lincoln on 15 February where the talent identification process will take place. The principals from the Eyre Peninsula schools have been asked to facilitate the project and also make sure that the children can attend for this talent identification clinic. State sporting association development officers and other local coaches will be involved in the talent selection process, and the division of sport will meet the costs of the identification clinic and also the costs of bringing those children to Adelaide and their accommodation at the sports camps.

Members in country electorates will also be pleased to know that, as a result of the feedback in relation to this pilot study, we will be looking at Port Augusta, the Far North, the Riverland and the Upper South-East, as well as metropolitan Adelaide, for further talented young Aboriginal children whom we can encourage and assist in sport.

## HOUSING TRUST WATER RATES

**Ms HURLEY (Napier):** Will the Minister for Housing, Urban Development and Local Government Relations say whether Housing Trust tenants will be charged the new water rates? On 2 November the Minister said there were no plans to change arrangements under which the trust met the cost of water other than excess consumption, which is paid by the tenant, but on 6 January the Minister issued a media statement that no decision had been made on whether to pass on new charges as he was awaiting advice from the Housing Trust Board.

**The Hon. J.K.G. OSWALD:** As the honourable member would know, the provision of water is not a core function of the South Australia Housing Trust. We are the public landlord, but there is no doubt that as a public landlord—and this applies to private landlords—the trust will face implications regarding the new water rating procedures. As far as the public sector is concerned, those factors range across four portfolios, and we have had to sit down and work it through very carefully. I can tell the House that I took to Cabinet a proposal last Monday which has now been accepted, and that proposal will go to the Liberal Party joint Party room next Tuesday; on Tuesday afternoon I expect to make an announcement.

## MURRAY-DARLING SYSTEM

**Mr LEWIS (Ridley):** Is the Minister for the Environment and Natural Resources aware of the proposal of concern to the Hay Shire Council in New South Wales to cut a drainage channel from the Barren Box Swamp irrigation area to discharge drainage water directly into the main channel of the Murrumbidgee-Murray River system and, if so, does he share my concern about the possible consequential adverse impact upon our communities and industries in South Australia and the quality of our water supply?

**The Hon. D.C. WOTTON:** Yes, I do share the honourable member's concern. A couple of weeks ago I took the opportunity, as the lead Minister in South Australia for the Murray-Darling Ministerial Council, to look at some of the major issues interstate regarding the Murray-Darling situation. As lead Minister, I am aware of the Barren Box Swamp issue and share the Hay Shire Council's concerns for downstream users of the Murrumbidgee—Murray-Darling river system. Currently the Murrumbidgee commercial arm of the New South Wales Department of Water Resources is investigating a number of options for the disposal of excess irrigation drainage water and flood water from the Murrumbidgee irrigation area. The preferred option involves constructing a drainage channel directly into the Murrumbidgee River, as the honourable member has indicated.

The Hay Shire Council has written to the Government to alert downstream stakeholders of the potential impacts of this proposal, and there are many. Just let us look at some of the possible impacts of the preferred option, which include alligator weed, a noxious weed which can choke river systems and is extremely difficult to control. That weed could be released into the main river system. I took the opportunity while I was in the area to look at the problems that are being experienced with this weed and the problems that could be caused if it was able to get into the Murray-Darling system. Some of the other impacts relate to the salinity of downstream river systems, which will no doubt increase. It is estimated that the preferred option could add up to five tonnes of

phosphorous into the river system each year and that is likely to significantly add to the possibility of blue-green algal blooms, particularly in South Australia. Of course, the problems of turbidity and the level of herbicides in the river system could also increase.

The preferred option is currently at the feasibility stage and, if it were to progress, it would require the development of an environmental impact statement. So, no decision has been made to construct a diversion channel at this stage. As I said, I personally inspected the site on 25 January together with the Chief Executive of the Department of Environment and Natural Resources and his Director of Water Resources.

I have also held discussions with representatives of both the New South Wales Department of Water Resources and the Murrumbidgee irrigation area, and I am satisfied that the proposal is undergoing the due planning process. South Australia will continue to emphasise to the MIA that it is far better to tackle irrigation drainage problems at the source by better supply and irrigation management practices rather than a reliance on downstream disposal; that is, if drainage volumes can be reduced on farm or re-use schemes introduced, there may not be any need to dispose of surplus drainage water.

I will be ensuring that the issue is fully considered in the whole-of-basin context and that, if any scheme does eventuate, it is accountable under the salinity and drainage strategy and consistent with the natural resources management strategy and the algal management strategy. As I said, I share the concern of the member for Ridley and it is a matter that this Government will be looking at very closely, and one in which I will be taking a particular interest.

## STATE BUDGET

**The Hon. M.D. RANN (Leader of the Opposition):** Can the Treasurer confirm reports that there has been a significant deterioration in this year's financial position compared with his budget and, if so, what are the details? The 1994-95 budget assumed incorrectly that the State could unilaterally impose a wages freeze on public sector workers and made inadequate provision for prospective interest rate rises.

**The Hon. S.J. BAKER:** I thank the honourable member for his question. He should actually look at the statements that have been made over a period of time: the greatest stress and stretch has been caused by his Federal colleagues. Time and again I have said that we cannot put up with the policies of the Federal Government. So on two fronts the Federal Government has caused us a great deal of pain; one is related to the issue of interest rates and the other is related to wages. However, despite that, the budget is remarkably on track: our problem arises in the following year. As members would well recognise, on the wages front we put in a 2 per cent provision in out-years; it is a four year rolling program, and we are going to hit the target at the appointed time. We will not be far off budget this year, no thanks to the Federal Government—the honourable member's colleagues in Canberra.

From the point where we came into government to the point where we are now, we have copped an extra $140 million in interest, and that will flow through the system. And if members opposite think that is easy to deal with, they should think again. However, we are managing. Also on the wages front, the Federal Government said that we must have a safety net and Paul Keating said, 'It is time to take home the bacon,' and we have seen the chaos that has resulted. So, we have had a lack of policy approach which is to the best interests of South Australians and Australians from the Federal Government, and that has placed us in this very difficult situation. I assure the Leader of the Opposition that the budget is not going to be far off where we set it for this year. Next year there will be a need for re-positioning, and I have said time and again that the budget has to be re-positioned.

## STATE GOVERNMENT INSURANCE COMMISSION

**Mr ASHENDEN (Wright):** Can the Treasurer give the House details of action the Government is now taking to sell SGIC, including the options the Government will consider to ensure that the sale is in the best interests of the State and the future of the compulsory third party motor vehicle insurance scheme?

**The Hon. S.J. BAKER:** We have taken the decision to proceed with the sale of SGIC, as was announced before the election. As members in the House would clearly understand, there has been considerable speculation as to when SGIC would be officially placed on the market. We have notified the market that the process will be pursued within the six month period to see how the market place judges SGIC. It is a very important part of the process, and an information memorandum will be issued to prospective purchasers or interests in two or three months, depending on whether all the other processes, such as the legal aspects, have been sorted out. It is a long and very time consuming process.

We have been very pleased with the dedication shown by the staff of SGIC and the amount of effort they have put in in changing the management focus, clearing up the horrific mess that was left by the former Government—and it has been a horrific mess—and coming back from a position of total disaster to an organisation which can once again hold its head high in the market place.

In terms of how the process will continue, a large number of people have expressed interest in purchasing either part or the whole of SGIC. My response to all of them has been the same: when it comes to the point where we issue an information memorandum, I will be expecting three things from them: first, I will be anticipating the best price they can possibly offer; secondly, I will be asking them—and this falls under the aspect of economic development—how we ensure that we retain some decision-making capacity in this State, given the flight of companies over a long period of time; thirdly, and again under the topic of economic development, I will be asking how we ensure that the quality, experience and employment that we have with SGIC remains largely intact, because SGIC has done a superb job in recent times. It has a very strong place in the market and that has to be retained.

On the issue of the CTP fund, which is a matter that all members would relate to given that they keep paying their compulsory bills, we have said that we will continue to own the CTP and the prospective purchaser will have the management rights to that fund but will not own it. That is the Government's intention; it is a carefully managed and planned process, and we believe that we will get the best result for South Australians and for SGIC from that process.

## STATE BUDGET

**The Hon. M.D. RANN (Leader of the Opposition):** Noting the Treasurer's assurance that the budget is remarkably on track and not far off the targeted 1994-95 deficit of $275 million, I ask whether the Treasurer stands by his statement that he will be on track for the $111 million target for 1995-96?

**The Hon. S.J. BAKER:** I wish the Leader of the Opposition had listened to the statements that have been made. I said that the budget will be re-positioned and, yes, our target still remains.

## TRANSPORT FARES

**Mr ATKINSON (Spence):** I wish to ask the Premier a question. Why does the Government's announcement of the increase in public transport fares that took effect last Sunday claim that the increase is in line with the consumer price index since the last increase in August 1993? The schedule of fare increases published by the office of the Minister for Transport shows that an adult single trip ticket purchased off-board has increased 8 per cent; a concessional inter-peak multi-trip ticket, 33 per cent; a concessional inter-peak single-trip purchased off-board, 33 per cent; a day trip ticket purchased off-board, 9 per cent; and a concessional day trip purchased off-board, 22 per cent.

**The Hon. DEAN BROWN:** I suggest that the honourable member look at the statement made by the Minister for Transport. It was very clear; the total revenue collected means that there is an adjustment in line with CPI since the last fare increase. Some other adjustments in terms of individual fares vary from that, but I would suggest that, if the honourable member compares the value of the fare in South Australia with that in every other metropolitan capital city in Australia, he will find that the cost of the fare in South Australia for a multi-trip is something like one-half to one-third of the cost in either Melbourne or Sydney for equivalent distance. In fact, we stand by the claim that the total extra revenue collected is the CPI adjustment.

## TOURISM, STATE

**Ms GREIG (Reynell):** My question is directed to the Minister for Tourism. Has South Australia improved its tourism profile in terms of available sales opportunities through travel agents?

**The Hon. G.A. INGERSON:** This Government has approached both domestic airlines and, for the first time in four years, they have actually been asked what sort of brochures they would require to help promote South Australia. It is absolutely staggering that in the previous Government's four years in office it made no attempt to contact either of those airlines to promote our State. We did that some four months ago and had a brochure produced by both Ansett and QANTAS. The staggering response is that QANTAS has announced that in that short period there has been a 32 per cent increase in the number of visitors to our State, and it believes that the use of those brochures was partly responsible for that significant increase.

One of the important things about this whole exercise is that, as well as the 'Come to your senses, come to South Australia' program, for the first time we have now introduced national brochures for use by the airlines and all travel agents in this State. It is an absolute disgrace that the previous Government did not even bother to go into the marketplace, where there is a requirement to tell visitors to come to our State, and promote such a brochure. As well as dealing with this on a national basis, we have now decided to run a program within our own State because, after all, 80 per cent of the tourism generated is within South Australia. We now have a program actually intended to tell South Australians that they ought to go on holidays in their own State.

With that program we expect to save millions of export dollars, because we shall be ensuring that South Australians visit and appreciate the fantastic places that exist within their own State. South Australians will actually be visiting the Barossa Valley, Fleurieu Peninsula, Eyre Peninsula and Whyalla, where (apart from the member for Giles) there are actually some surprises. I understand that there are very good hotels and motels and a very good fishing resort there. On Eyre Peninsula there are excellent opportunities for whale watching, as well as seeing the tuna fishing industry in operation. We are attempting to provide excellent tourism opportunities in our own State, as well as nationally. At last something is being done for South Australia.

## RIVERLAND WOMEN'S SHELTER

**Mr ANDREW (Chaffey):** My question is directed to the Minister for Family and Community Services. Will the Minister explain what action has been taken to ensure that the Riverland Women's Shelter is maintained as an essential service to the area? There is recent and continuing concern in the Riverland that, because of both heavy and increasing demand for services of the Riverland Women's Shelter, the management of the shelter will be unable to operate within its current budget for 1994-95. There is also concern, which I share, that the Riverland Women's Shelter is not receiving fair and equitable funding in comparison to other similar shelters operating throughout the State.

**The Hon. D.C. WOTTON:** I commend the member for Chaffey on the representation he has made on this issue. I know of the concerns that have been expressed in the Riverland and, in fact, I took the opportunity in late January to meet with the management committee and staff of the Riverland Women's Shelter in Berri. As the member for Chaffey has indicated, a range of concerns including funding were raised with me, and meeting personally with the people concerned provided the opportunity to discuss a number of these issues. I have made it clear to the people of the Riverland that the shelter will not close. The Government is committed to the provision of accommodation and support services for women and children fleeing from domestic violence in this area, and this commitment is part of that which the Government made prior to the election and one that we will continue to keep.

The funding of the shelter is provided under the Commonwealth-State Supported Accommodation Assistance Program, and funding can be provided only with agreement between both the Commonwealth and State Ministers. I have asked for details of funding to women's shelters across the State to make sure that the Riverland Women's Shelter is being treated fairly. Again, I recognise the concern expressed in the question asked by the member for Chaffey. The delegation I met in Berri raised issues concerning increased demand and pressure on the shelter, and these are being examined. I indicate to the House, as I am sure all members would realise, that funding is tight across the State and there are many areas of high need. If further funding is to be

provided it needs to be justified as part of this statewide program, and I am determined that that needs to happen.

Domestic violence and its impact on families, including women and children, is of continuing concern to me as Minister and to this Government. Those affected need to be supported and protected from harm. I reiterate that the services provided by the Riverland Women's Shelter will not close in the Riverland, because I recognise the excellent work and the need for that service to continue. I assure the member for Chaffey that I will continue to keep a close watch on what happens as far as the Riverland Women's Shelter is concerned, and I will seek that extra information to enable me to give the matter further consideration.

---

## GRIEVANCE DEBATE

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

**Mr CAUDELL (Mitchell):** I raise the issue of pawnbrokers and the lending of money to those who find themselves short of ready funds at an inopportune time. This may be caused by the recession and its ancillary symptoms of unemployment, gambling addiction, addiction to a drug or other substance, or the plain fact that some people find themselves short of ready cash at an inappropriate time. More people are using the services of pawnbrokers to obtain these short-term funds. Pawnbrokers may have a necessary *niche* in the marketplace, but I object to the unacceptable and flagrant abuse occurring by way of the rates of interest they are charging. Rates of interest of 10 per cent per 24-hours or 300 per cent per annum are not uncommon—indeed, by far the norm in that industry.

Following an inquiry from a constituent I was able to ascertain that there are no restrictions on the rates of interest charged by pawnbrokers. As I have said, some loans issued on a 24-hour basis are charged at an interest rate of 10 per cent per day. Those pawnbrokers within the Pawnbrokers Guild charge 15 per cent per month plus a security deposit in excess of $5 per month to cover storage costs of the item left for security. In effect, on a $100 loan, the interest rate is 20 per cent plus. Brokers outside the guild, such as Cash Converters, charge 25 per cent per month. The average loan is for two months and thereby the interest charged is anywhere around 50 per cent for that period.

Consumer Affairs have advised of an increasing number of inquiries in relation to pawnbroking activities which can be aligned to the recession period. There are no regulations applicable to the pawnbroking industry. Any loans of less than $400 are not subject to any duty applicable to those loans. There is no recourse by a person who obtains a loan through the pawnbroking industry except in the case of harsh and unconscionable terms being applied. However, if a person can speak English they have no chance of being able to take any action under such terms. In the changing environment, with more people finding themselves disadvantaged, and in times of stress, I find the actions of businesses such as pawnbrokers totally unacceptable.

I have written to the Attorney-General and the Treasurer requesting an investigation of these matters. I have made recommendations accordingly that the Treasurer look at implementing a non-recoverable stamp duty charge on loans and interest income similar to that levied on the vehicle rental industry but payable by pawnbrokers. I have also written to the Attorney-General suggesting that a code of conduct be established to ensure that interest rates charged are more in line with those of the finance industry. I am looking forward to discussions with both the Treasurer and the Attorney-General on this matter.

Unfortunately, because there are no records, scale of charges or regulations applying we are unaware of the total amount involved in the industry, although I am told that some companies overseas have a thriving business of $150 million turnover in the pawnbroking/loan industry. Also, I am told that Cash Converters is one of the fastest growing pawnbroking companies in Australia and that it is looking to establish an extra nine stores in South Australia alone. I am told that the growth factor in New South Wales in this industry is 7 per cent plus, so at some stage in the future this problem is likely to surface and cause great concern—

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

**Ms HURLEY (Napier):** I would like to refer today to the casual way the Minister for Housing, Urban Development and Local Government Relations has addressed the matter of water charges for Housing Trust tenants. In his answer today the Minister spoke about the difficulty that this matter involves as it crosses four portfolios. He said it was not a core function of his department. However, I believe it defies belief that this matter was not addressed before the new water charges were announced in early December last year. It will be 2½ months at least before trust tenants find out how that decision will affect them. I am interested to know where the Minister was when the decisions were being made about the new water charges.

Where was the Minister in Cabinet? Where was he in regard to the decision process? Why were trust tenants ignored in this whole process? Are trust tenants really regarded by this Government as being so unimportant that their needs and interests were not factored in to the decisions on water rating charges? It seems to be a matter of incompetence or inability on the Minister's part that that process was allowed to go through without consideration of trust tenants who, after all, are major water users in this State.

It is important to stress the impact of this decision on trust tenants. First, the new credit policy brought in by the Minister means that tenants can be evicted if they do not pay their excess water charges: even long-standing tenants, who have been paying their rent regularly and faithfully for years but who may not pay their excess water charges, could be evicted on that basis alone. In his casual manner the Minister is not treating this matter as important, whereas to trust tenants it is a vital matter.

Generally, trust tenants are on lower incomes, and it is important to them how they budget their income and whether they need to allow for the fact that they will have to pay for every last drop of water they use. The Minister does not seem to think it is a big problem but, in going around my electorate in particular—and I have had many calls from outside the electorate—I have been asked constantly whether I have heard anything in this regard. In talking to the local Trust Tenants Information Centre in Peachey Road—the centre hires out gardening equipment—I have been advised that the demand for the hiring of gardening equipment has dropped 50 per cent because people are not looking after their gardens.

People are not watering their gardens, despite the State Government's trying to encourage trust tenants to look after their properties and improve the environment in which trust tenants live. Yet in his press release of 6 January the Minister claims:

> If there are any possible implications for a flow-on effect for trust tenants—

of course there are going to be implications from the new water charging system for trust tenants—

> the board will report to me following its meeting and the matter will then be further considered by the Government.

The cavalier manner in which the Minister treats Housing Trust tenants is outrageous. I will await with great interest the results of this leisurely process. I certainly hope that it is worth the wait and that the Minister comes up with a policy that will be just, equitable and manageable for trust tenants. The Minister has ignored trust tenants for at least 2½ months, in all the time that the new water charging policy has been drawn up. I am not sure why that happened, but at last we will see this policy, and all trust tenants around the State and I will indeed be interested to see it.

**The SPEAKER:** The member for Hartley.

**Mr Atkinson:** Good speaker!

**Mr SCALZI (Hartley):** I thank the member for Spence for his comment. Today I refer to the major steps involved in the South Australian clean-up campaign. I refer to a press release by the Minister for the Environment and Natural Resources. Certainly, I commend the Minister and the Dean Brown Government for the attitude they have adopted towards the environment, which has put to rest some of the stereotype arguments that we cannot have environment and development meeting in a sensible way. The areas of environment and ensuring economic growth, creating real jobs, need not be poles apart. Indeed, this Government has shown that it has a sensible and sensitive approach to development, real development. This approach shows that business can proceed with environmental sensitivity, and that is what real development is all about.

Certainly, this is embodied in the new landmark Environmental Protection Act to be proclaimed on 1 May 1995. It means that companies that pollute will pay higher licence fees than companies that adopt environmentally sensitive practices. In other words, this Government not only encourages businesses to be sensitive to the environment but gives them real incentives to do so. The Government recognises that businesses must be rewarded if they are to be sensitive to the real issues concerning the environment. The Government has a plan, but this is nothing new because the Government has shown that it can respond to the environmental concerns of the community. This is evident by the Minister's communicating with young people on environmental issues.

Certainly, as a member of the back-bench committee on the environment I have been much aware of the communication that has taken place. Only today the Minister for Infrastructure referred to the coordination that has taken place in regard to development and environmental issues—involving, for example, the MFP, which has taken such a long time to get off the ground. Also, I refer to the cooperation required from the Federal Government where the need arises.

The announcement today with regard to providing market gardeners in the Virginia area with water is again an excellent example of how the two can work together and how South Australia can go ahead. This is a very good example of what can be done. The message now to all people, all instrumentalities and companies, the Government and the private sector is that they must become environmentally conscious and adopt practices which will help reduce wastes and emissions into the air, the waterways and the land. We have taken initiatives with the Torrens River, the Patawalonga and the Murray River, which was referred to in a question today. We are not blind to the fact that there are costs in looking after the environment, so we provide incentives to do so.

That is the only way that we will get things done: to acknowledge that there are costs. We have to give incentives. When companies know there is a sense of direction and when they know the Government means business, they will cooperate, and that has been shown in South Australia. I commend the Brown Government and the Minister for the Environment and Natural Resources for taking those initiatives in providing a climate where we can grow and provide real jobs but at the same time be sensitive to the environment and provide for the long-term prospects of the State.

**Mr MEIER (Goyder):** I wish to compliment the Minister for Education and Children's Services on the back to school grants that he recently announced. They are very significant in an electorate like Goyder, where I have 29 public schools in addition to four private schools.

*Mr Atkinson interjecting:*

**Mr MEIER:** It is interesting to hear the honourable member's interjection. For many years I have been very disturbed that the maintenance factor, particularly on so many of my schools, has been neglected without any question. The honourable member opposite and members generally know that prior to coming into Government the Liberal Party made a firm commitment that we would seek to address the backlog of maintenance problems that had been created over more than two decades of Labor Administration. I am very heartened indeed that these back to school packages are a significant first step forward in seeking to address some of the backlog.

We have to acknowledge that the back to school grants were implemented initially by the Labor Government, and I do not deny that for one moment. But it is important to recognise that there has been a real increase this year, as promised by the Liberal Party, and I hope that that can continue in the future allocations. Members are well aware that this Government came in facing a massive debt burden: some $3.15 billion of that at the time of coming into Government was directly due to the State Bank fiasco, but the overall debt is more than $8 billion. It is obvious that any State that is going bankrupt has to cut its expenditure. It was very unfortunate that the Liberal Government happened to inherit this crisis. One area of major expenditure is education.

*Mr Atkinson interjecting:*

**Mr MEIER:** It is a pity that the member for Spence does not stop interjecting for a moment. I should have thought that as a member of the former Government he would hang his head in shame. Being a backbencher in that Government, the member for Spence—

**Mr Atkinson:** I actually did well.

**Mr MEIER:** Yes; you were one of the lucky ones to return, and I can only congratulate you on that, but I would have thought that, rather than interjecting all the time and trying to make some political capital, in a sense you would be sorry for what happened under your Government.

**The SPEAKER:** The Chair would not want to enforce the Standing Orders, either.

**Mr MEIER:** The Government had to make a $40 million cut in the budget in August, and understandably that has received some publicity. It is not easy on the teachers, the schools or the students. I think that most would appreciate that very sincerely, but I know the people in my electorate fully understand that it was because of the former Administration's complete muck-up of the financial assets of this State that we have had to bring in a tough education budget. It is therefore laudable that we have been able to allocate about $12.5 million to this back to school package; a truly remarkable figure.

All 29 schools in my electorate have been able to benefit to a greater or lesser extent from the back to school grants. The grants are applied to address backlog maintenance, other minor works and occupational health, safety and welfare projects. The positive thing is that to a certain extent individual schools can set their own priorities on allocating the money to their areas of greatest need, although this is usually done in consultation with the regional facilities manager. In all cases in my electorate the schools desperately need this. However, while an occupational health and safety project grant was allocated, in one or two cases the school or schools did not receive what is commonly referred to as the 'backlog maintenance grant' in this area.

**The Hon. M.D. RANN (Leader of the Opposition):** Today we saw an extraordinary outburst by the Premier and one that I think degraded and diminished the office of the Premier and also degraded and diminished this Parliament.

**The SPEAKER:** Order! I would suggest to the honourable member that he cannot reflect on the decisions of the House, particularly suggesting that actions taken by a member reflected on the Parliament. He should have taken his objection at the time—not now.

**The Hon. M.D. RANN:** Sir, I did make objection at the time, but you did not hear my objection. You asked the Premier to sit down but did not hear my point of order. I believe that he has diminished and degraded the office of the Premier. During a health crisis, instead of the leadership that we would expect from a Premier and Minister, today we saw a Premier who had lost control. We have simply asked for an inquiry to establish the ground rules for the future. Inquiries followed bushfires in the past, and they laid down the way we could do things better. That does not mean that every action was faulty; of course not.

Outstanding work has been done by the IMVS and the health workers at the hospital, but the fact is that there was a failure to recall, a failure to warn, a failure to punch out the message and a failure to use section 25 of the Act, as was appropriate, to prevent, prohibit and ban the sale of these goods by the retailers. Instead, it was left to Garibaldi to do the job. Instead, deli owners and others in various parts of this State did not get their recall notices or advice in the form of pamphlets from the Health Commission until last week. Today, I have issued an FOI request, as follows:

1. All assessments, reports, notes and memoranda concerning the outcome of inspections in relation to Garibaldi Smallgoods Manufacturers. . .

2. All assessments, reports, internal memoranda—including memoranda to or from the Chief Public Health Officer, to or from the Chief Executive Officer or to the Minister—concerning the outbreak of Haemolytic Uraemic Syndrome in January 1995.

3. All written advice or notes of advice otherwise given to the Minister or Acting Minister on or after 23 January 1995 regarding his powers under Division II of the Food Act to:

a) prohibit the sale of food considered by the Health Commission to be unfit for human consumption;

b) direct the Health Commission to warn the public of the risk that mettwurst manufactured by the Garibaldi smallgoods company was unfit for human consumption.

4. All correspondence and notes of telephone discussions between officers of the Health Commission and representatives of the Garibaldi Smallgoods Company from 23 January 1995 onwards.

5. All correspondence and notes of telephone conversations between officers of the Health Commission and other South Australian smallgoods manufacturers from 23 January 1995 onwards.

6. All correspondence between the Health Commission and the Victorian Government, Victorian organisations or Victorian manufacturers concerning contamination of meat in the context of the HUS outbreak in South Australia from 1 January 1995 onwards.

It is legitimate to call for an inquiry and to ask for the release of those documents, but we have heard from the Minister today that there were no documents. Yet, half an hour later, the Premier in full flight said that the Minister had released all the documentation.

I believe we have witnessed an extraordinary contempt for this health crisis by the Premier. He is basically out of control. He felt that it was not about the health crisis or our questions. Everyone in this House saw the Premier sitting next to the Minister for Infrastructure doing his 15-minute showpiece debate for this Parliament, and the Premier did not look happy. So he thought to himself, 'I had better put on a show for the troops to make sure that I am not being upstaged.' That is the contempt that he showed for this Parliament, and that is why he has degraded the office of Premier. The fact is that every businessman in this city knows that there is no love lost between the Minister for Infrastructure and the Premier. We know that there is a divided front in business—

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

**Mr BECKER (Peake):** When you get a headline in the media, 'Liberals riding high in the poll,' and you get a recognition factor of 13 per cent as to who is the preferred Leader of this State, no wonder we have to put up with the garbage that we have had in the past two days in this House. We have had an absolutely disgraceful performance by the Opposition trying to highlight and capitalise on the crisis that has occurred within the smallgoods industry. Everybody regrets what has happened; everybody regrets the unfortunate death of that young girl; and everybody sincerely regrets the hospitalisation of another 18 people. By keeping up their attack and keeping going in the way they have, all that the Opposition is doing is substantiating the media that went off unsubstantiated on the whole issue. The media in this State have a case to answer for the way that they handled this crisis, and the Opposition has been feeding them, and the media have been using the Opposition to play up the whole story. What you have forgotten and do not seem to care about, members of the Opposition, is that about 1 500 jobs and a $100 million industry are on the line. The State's reputation is at stake, and the meat industry in this State could suffer.

**Mr ATKINSON:** I rise on a point of order, Mr Acting Speaker. Is it parliamentary for the member for Peake to continue to refer to the Opposition as 'you'?

**The ACTING SPEAKER (Mr Buckby):** I ask the member for Peake to refrain from using the word 'you' and to refer to members by their electorate.

**Mr BECKER:** Thank you, Mr Acting Speaker. I suppose it is unkind to sheep! The issue here is the smallgoods industry in South Australia. If anybody here knew anything about the manufacture of smallgoods, and in particular mettwurst, and had taken the trouble to work out what happens in the process, I think they would have been a little more careful.

The major issue that has been overlooked by members opposite is something that they never tackled in all the years that they were in Government. They had a great time with the Treasury and they had a great time with taxpayers' money, spending wherever they could. They gave to anybody who asked for a dollar. That is why we now have a Leader of the Opposition who barely rates 10 per cent overall and whose popularity will never be such as to make us believe that he will be other than the temporary Leader.

*Mr Caudell interjecting:*

**Mr BECKER:** Mike who?, as the member for Mitchell says. He is dead right. The whole point is that the smallgoods industry in South Australia, with exports around Australia, has had its reputation dented by the persistence of an ill-informed Opposition—an Opposition that did nothing to protect the health of the people during its term in office. If Opposition members were half smart, they would be calling for a health certificate for every worker in the food industry. Anybody who has anything to do with food processing in this State and country should be subject to half-yearly pathological tests and total medical check ups. How do we know that anyone who handles food is not carrying a disease that can be passed on to consumers?

When we look at the meat industry, let us also look at the fruit and vegetable industry. Has anyone been to the Central Market and seen people picking through the fruit? Has anyone been to their local supermarket and seen fruit with fingernail punctures? Does anybody know whether or not the person who handles that fruit before anyone else considers buying it has hepatitis or some other contagious disease? That is where the mistake has been made. We have been very lucky in this country until now. There is much that we can learn from Europe where every person who is involved in the food industry, whether in a butcher's shop, a delicatessen making sandwiches or in a restaurant or hotel, must have a current health certificate, because, like union membership, no certificate, no job. That is the area that the Opposition should be concerned about in this State.

---

## WORKERS REHABILITATION AND COMPENSATION (BENEFITS AND REVIEW) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 7 February. Page 1457.)

**The Hon. G.A. INGERSON (Minister for Industrial Affairs):** Last evening I briefly summarised the points that I wanted to make. However, there are a couple of other issues that ought to be brought to the attention of the House while we are talking about legal rorts. The one that—

*Mr Atkinson interjecting:*

**The Hon. G.A. INGERSON:** No, this is another one. This will give you another opportunity to read the paper again tomorrow. In July last year the Full Court made a decision in relation to sexual impairment. I think that, like most court decisions, it was made in good faith as it related to a particular incident. However, what they did not expect was that there would be a reopening of literally hundreds of lump sum claims for sexual impairment by people who had had claims paid from 1987 through to today. I think it is important that Parliament should understand what is going on with these legal rorts and how certain lawyers and legal companies are totally abusing the system and making an absolute mockery of what was meant to happen in terms of sexual impairment.

As I said, there are hundreds of claims, but I point out that the $400 000 that has been paid for claims could have this sexual impairment clause added. So that members can have some perspective on what it is about, I will read into *Hansard* a few of these cases which have already been paid. The first case for a 20 per cent lumbar dysfunction was paid $14 700; 7 per cent cervical malfunction, $5 160; 10 per cent right shoulder, $4 600; and now there is an additional 40 per cent sexual impairment payment of $25 844. The review officer made this decision. The claim involved a $25 000 add on payment, bringing the total claim paid out from just over $23 000 to $50 390.

The second example is a claim for 30 per cent loss of lumbar function involving a pay out of $21 200, with an extra sexual payment of 65 per cent. An amount of $40 350 has been paid on top of what had already been paid and, because it is over 55 per cent, there is a further supplementation of 14.5 per cent, which totals $19 200. So, instead of a claim amounting to $21 000, it is $80 930.

I will mention a couple of other examples because they make interesting reading: 20 per cent loss of lumbar function and 10 per cent loss of leg function totalling $18 000, plus a 50 per cent sexual impairment loss amounting to $27 160 and a 5 per cent supplementation because it is over 55 per cent, which amounts to another $5 008. Instead of a pay out of $18 000, it amounts to $52 380. These instances come up daily. These are the legal rorts that the previous Government set up, did absolutely nothing about and encouraged through advertisements, supporting legal firms for it to continue.

I will cite a few other examples, because this is a disgrace. It is RSI revisited except that it involves sexual impairment. Every one of those 400 000 claimants can go in and get this. This indicates how hopeless the scheme is: hundreds and hundreds of claims have now been lodged because of a court decision that was made some six months ago. Other examples involve a 25 per cent cervical claim of $17 000, a 5 per cent thoracic claim of $2 200, and a 30 per cent lumbar claim of $21 000, with the special 50 per cent sex add on amounting to $31 000. But this is the interesting component: there was a 26.5 per cent supplement add on because it was over 55 per cent, amounting to $35 000. A claim of just over $30 000 totalled $107 000. These are the sorts of legal rorts we are putting up with day after day.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** Yes, they were injured.

**Mr Clarke:** No question about being injured?

**The Hon. G.A. INGERSON:** No question about being injured; no question about the lump sum payment; no question about—

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** It is a rort because, under the Commonwealth scheme, it is not allowed; nowhere in Australia is this sort of nonsense allowed. These are the sorts of rorts the Labor Party condones. The Deputy Leader opposite condones this sort of nonsense. He wonders why we must take the hard and tough decisions to sort this mess out. They are legal rorts that ought to be fixed up. When a legal company places advertisements in papers saying, 'Get your claim in for sex impairment because we can help you', we will do something about it.

It is not very often I get involved in retrospectivity, but I am this time, because this is the greatest single rort, other than RSI, we have had in this scheme. It is a blatant misuse of legal opportunism, and the union movement and the labour movement are condoning it. That is what I think is a disgrace. They should be standing up and saying, 'We want reasonable payments for workers but we do not want rorts in the scheme', but they have condoned it. They did nothing about this sort of rorting.

Let us look at other examples: 25 per cent loss of lumbar function, $15 000, plus 33 per cent for sex impairment amounting to $18 000, totalling $33 000; 35 per cent loss of lumbar function, $21 700, plus 70 per cent sex impairment amounting to an extra $27 000. But, on top of that, because it is over 55 per cent, there is a further 22 per cent supplement of $25 000. I know a lot of workers are concerned because we are getting stuck into some of the benefits, and I understand their concern, but I bet members that those same workers do not condone this sort of nonsense; they do not condone the total misuse and abuse of the legal system by a group of lawyers and their clients. It is the gravy train exercise.

**Mr ATKINSON:** I rise on a point of order, Sir. The Minister is constantly addressing the gallery. I ask the Chair to rule that he address the Chair.

**The ACTING SPEAKER:** I ask that the honourable member address the Chair.

**The Hon. G.A. INGERSON:** My last example concerns an individual who had a 50 per cent heart claim and received $41 000, plus a 75 per cent sex impairment claim of $41 700 and a 45 per cent supplementary claim of $56 000. Because of the sex impairment claim, there was a $97 000 increase, giving a total of $139 600 compared with the original $41 000. I might point out that all these examples will go to appeal. We will take it to every court in Australia until we sort out this mess. We will bring in any legislative requirement to stop it. This is the sort of legal rort that we are not prepared to tolerate. I have example after example of how this scheme is being totally misused.

I said yesterday that some 300 clients, all with disability levels of 10 per cent, can have the sexual impairment claim added on tomorrow and there is nothing in the Act to stop them from doing it. I do not believe that workers or the union movement—and I hope I can include the Labor Party in this—condone this sort of nonsense. These are the reasons why we must sort out the WorkCover system. When we have sorted out these things, we will be able to give those who are genuinely long-term injured at work the benefits they deserve. But, until we get rid of this sort of duplicity in the system, we will never sort out the major problems.

An honourable member behind me said, 'Get rid of the legals.' Here are some pretty good reasons why we ought to do that: here are some pretty good reasons why we ought to be tightening up on the role of the legal profession. I have been fascinated about the role of the Deputy Leader in this whole case. I have never known a man to do such an amazing back flip in support of the legal profession as he has done now because it is very convenient. I have been amazed at his convenient back flip. It is exactly like the black flip he had to do last night when he found out that the previous Minister and the previous Premier of this State promised that the workers' compensation average levy would be exactly the same, 1.8 per cent—

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** I know Frank did, but what about you? You are the person responsible for industrial relations. It was exactly the same policy, with a 1.8 per cent average levy, as we put out. The only difference was that you put it in writing so that we could quote you. You have been conning everybody in this State for the past three weeks. You intended to cut these benefits and rip the guts out of the system. That is exactly what you would do. That is the only way you could have done it.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** It is a very harsh piece of legislation, I accept that, and it is harsh because you have left this thing in a mess. These sorts of rulings we are getting now are because nobody did anything about the select committee's recommendations two years ago. It is interesting that the architect of this scheme, the member for Giles, knows full well, and has said publicly, that the second year review process is the most fundamental change that needs to be made in this scheme, and who did nothing about it? The previous Government sat on its hands while all this abuse went on. That is the problem with this scheme.

If we have a decent second year review where workers with low disabilities have to be accountable, we will turn this scheme around. If we do not have a decent review system, we will never turn it around. It is in everybody's interests. I do not want to be in here every week saying we have to take the tough measures to sort out this thing. I would love to take the easy option: I would love to be able to stand up here and say that we can have the best benefits in the world and we can afford it, but we cannot. Everybody involved in this scheme knows that that is the case, and that includes the architect, the member for Giles, because he knows full well, because he said it back in 1986, that, if we do not fix up the second year review, if we do not make a return to work a fundamental part of the scheme, it will go broke. That is exactly what has happened. They are not my comments: they are the comments of the member for Giles, the person who actually set up the scheme. Both he and the union movement know that all too well.

When we had a look the other night at what was actually put forward by the union movement in 1985, we found that it said we have to have a second year review system; we have to have a return to work process. If we are to give up common law, we have to do those things otherwise the scheme will not survive. The very people who are running around bleating today and saying we are being harsh are the very people who said in 1985 that we have to keep this very tight because, if it is open ended, we will have problems. The very people whom the Deputy Leader says he represents are the ones who know what the answers are and who predicted that, if action was not taken, we would get the result we have today. They are the very people he is saying he represents, and that is the tragedy of the whole exercise.

We set out to do five things with this piece of legislation. First, we wanted to make sure that we had a competitive system in comparison with the rest of Australia. That means

we have to get levy rates down somewhere between 1.8 and 2.2 per cent. It is as wide as that. If we can do that, we can be competitive, in an average levy, cost to business sense, with the rest of Australia. We can also have benefits that are fair and reasonable comparable with the rest of Australia. I want to make one point on that, and it seems to be overlooked all the time: 95 per cent of claimants are off the scheme before six months is up. So, 95 per cent of people who put in a claim are back at work within six months and are totally off the scheme. How do we resolve this long thick tail of the five per cent of people who remain on the scheme? If we look at comparative schemes in this country—and that is where we ought to be looking, as we have comparative schemes in every State that all have—

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** Every State has some sort of pension scheme after 12 months. I point out that, after 12 months, 96 per cent of all claimants are off the scheme. Only an extra 1.2 per cent move off in that last six months. So, a very small number is involved. The 3.5 per cent, the total number left in the scheme, since the start of this scheme, has cost the scheme $800 million.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** No, that is the point. If they were the most badly injured, I would have no chance of putting up any argument. Whether people support the argument is another issue, but I would have no argument at all if they were the serious long-term injured, but the reality is that 68 per cent of those who are on the scheme for more than two years have disability levels of less than 10 per cent. They are not my decisions but the decisions of the courts and the review officers, because they have accepted 10 per cent lump sums, which is equivalent basically to a 10 per cent disability level or less. So, we have 68 per cent of that tail—equating to 68 per cent of the $800 million—being people with disabilities such as the loss of the top of their fingers, broken elbows, broken arms, toes cut off or knee injuries where they have difficulties with the ligaments. They are the sorts of injuries involved. As the architect of this scheme said only recently, that is the area that has to be fixed up.

With respect to this matter, in 1986 the then Minister told me in this Parliament, 'If what you say proves to be correct, if the second year review does not work, I promise this Parliament that it will be fixed because, if it is not fixed, the scheme will go bankrupt.' That fundamental problem was ignored by the previous Government on every single occasion: it ignored the recommendations of the select committee. It has been ignored for one fundamental reason, and that is that the union movement would not let them do it. That is the reason. I was on the select committee. I heard the comments of the union movement. We met representatives privately. They said, 'We will not move from this review.' The reason is that there are so many of their mates getting a free load on the scheme. That is the problem with this scheme.

*Members interjecting:*

**The Hon. G.A. INGERSON:** It is not a disgrace: it is a fact. This list of over 300 people takes in the years 1987 to 1989. It does not include 1990 to 1994. There are thousands of people on this scheme who have disability levels of the type that I just mentioned. The reason they are on there is that they are getting an easy run on the 80 per cent pension for life. They get all their medical costs paid as well as any other legal costs that they want to incur, and they get that as a free run.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** Ask the architect of the scheme how to fix it up. He is on your side. He has actually told you privately, I understand, and I know he has told the union movement privately how to sort it out. Unless it is sorted out, whether it is by a Liberal or a Labor Government, we will be back in this House, and if you ever get into government—and I do not see it happening in my life time—you will be back here putting exactly the same argument with far less hypocrisy than you are running around with at the moment. We want to make sure that the public knows what this is all about. It is not about Graham Ingerson sorting out individuals: this is about eight years of mismanagement of this whole scheme by the previous Government.

As I have said on several occasions, the tragedy of the whole exercise is that the architect of the scheme said in a speech here in 1986, 'If this gets out of line at the second year review stage, I will fix it up.' If he had done that, we would not be here today. Nobody would be worrying about why this legislation has to be brought in line with every other State in Australia. We also want to introduce the Comcare guidelines, and we want to do so because the Federal Labor Party, the unions, white collar workers and employer groups believe in them. Even the Federal Government reckons it is a good idea and, if Keating gets something right, I think we ought to support him. Not very often does he get something right, but this system has been in operation for six years and we ought to support it. The Deputy Leader has said that we need some consistency. This is the first chance of actually getting some consistency on an agreed position.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** The ACTU, which I think is a reasonably important body, thinks it is marvellous. I do not often say how good Mr Keating is, but he is obviously right in this case; his Federal Labor Government believes in it, as do employers and doctors. The lawyers do not like it, and that is for a fundamental reason: it ties their hands; they actually have to accept medical opinion, and that is no good for lawyers, because if they have to accept medical opinion in an area in which they are not expert—

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** As the honourable member knows, we are tightening up this legislation so that, at the end of the day, medical opinion and the claim of the individual are what count, and that is how it ought to be. That leads me to the reduction of litigation. I remember reading a document put out by the union movement when this whole scheme was being designed in 1985, and one of its major objectives was to reduce litigation; get the lawyers out and return it to a caring scheme, minimising the cost of legal function, and get it back to a scheme based on a personal, administrative approach! I well remember reading that document, and if the honourable member opposite has forgotten what it said I will quote it to him at a later stage, because we have a very fresh copy of it.

Some people in the union movement seem to be very kind to us at the moment; they are sending copies of their opinions on a daily basis, and those opinions are not very consistent with that of the Deputy Leader, I might point out. However, those documents seem to be flowing through. I do not know why some senior people are prepared to put their name to documents that they are sending through to us at the moment, but I suspect they believe that, unless we sort this thing out, we have a real mess, and litigation has been one of the very important issues.

We also wanted to ensure that work injuries were exactly that; that the work itself contributed significantly to the circumstances surrounding the payment. I get very cross when I see huge sums of money being paid out for sexual impairment when there is no work relationship whatsoever.

*Mrs Geraghty interjecting:*

**The Hon. G.A. INGERSON:** I am not looking at the honourable member in particular. I am cross because I believe that that should not be part of the scheme; yet we have lawyers and a particular group of firms deliberately pushing and stretching of the scheme. That is the very thing that the union movement wanted to get rid of back in 1985—the pushing and stretching of the scheme into unbelievable sections of the law. That was never intended in a simple workers' compensation scheme.

Finally, we need to address the inconsistencies in terms of the definition of earnings, because something like 12½ per cent of all the arguments before review relates to what is the actual amount of money that the person concerned is earning. It is our view that the changes we are presenting to this House will clarify that position. I accept that some people will not like it, but it is our view that that is the way it ought to happen.

They are principally the five fundamental areas that we believe ought to be looked at in regard to this legislation. As I said, the problem in this scheme is the tail; it is not about the 96 per cent of people who are off the scheme in six months and getting 100 per cent of their earnings or whatever it is calculated to be, because that stays the same. There is no change in relation to the 96 per cent who will be off the scheme in six months; that will happen again. However, it is about that long tail which is getting longer and which is getting more and more costly.

There is only one payer in this scheme. It is not a social security scheme; the employers of South Australia pay, and if I am forced to accept the recommendation that is currently before the board that, if change is not made, the levy rate could be around about 3.3 per cent on the actuarial projections, that will push an extra $42 million a year out of the South Australian community, and you do not have to be too clever to work out how many jobs that will involve or what business will do to pick up that payment. The economic reality is that you cannot take $42 million extra out of the economy and put it into a scheme that you keep on expecting to pay, and then put more money in when it blows out again.

You cannot expect business to do anything other than to say, 'All right; we have had enough of this—less employment.' I do not like that, but that is the economic reality of the times in which we live and it is the economic reality encouraged by the current Federal Government, which says, 'Get yourself efficient, minimise your cost and get the maximum possible economic value out of your work force.' It is a system encouraged, pushed and cajoled, if anything, by the Federal Government because it believes that that is the only way to go.

The South Australian economy is no different from any other, except that it has a few other problems; it is a slow growth economy, and any major hiccups like this have a much bigger—

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** We are, relative to what we were, but it is still a slow growth economy, and it will always be so in terms of turning things around. We never reach the peaks of other States, and we never reach the depths of depression to which they go. That is the economic reality in this State. So, to take another 15 per cent of actual money, amounting to $42 million, out of the South Australian economy to meet this cost means a lot of jobs.

**Mr Clarke:** What about the payroll tax?

**The Hon. G.A. INGERSON:** It is a hell of a lot of jobs that will come out of the system. I hear the comments from members opposite and I accept that some of them have credibility, particularly those from the member for Giles, because he is the only one on that side who has any credibility at all in this area; having been the architect of the scheme and having made public comments about what needs to be done, he knows that we are not very far off what has to be done to turn this matter around.

The House divided on second reading:

AYES (32)

| | |
|---|---|
| Allison, H. | Andrew, K. A. |
| Armitage, M. H. | Ashenden, E. S. |
| Baker, S. J. | Bass, R. P. |
| Becker, H. | Brindal, M. K. |
| Brokenshire, R. L. | Buckby, M. R. |
| Caudell, C. J. | Condous, S. G. |
| Cummins, J. G. | Evans, I. F. |
| Greig, J. M. | Hall, J. L. |
| Ingerson, G. A. (teller) | Kerin, R. G. |
| Kotz, D. C. | Leggett, S. R. |
| Lewis, I. P. | Matthew, W. A. |
| Meier, E. J. | Olsen, J. W. |
| Oswald, J. K. G. | Penfold, E. M. |
| Rosenberg, L. F. | Rossi, J. P. |
| Scalzi, G. | Such, R. B. |
| Wade, D. E. | Wotton, D. C. |

NOES (10)

| | |
|---|---|
| Atkinson, M. J. | Blevins, F. T. |
| Clarke, R. D. (teller) | De Laine, M. R. |
| Foley, K. O. | Geraghty, R. K. |
| Hurley, A. K. | Rann, M. D. |
| Stevens, L. | White, P. L. |

PAIRS

| | |
|---|---|
| Baker, D. S. | Quirke, J. A. |

Majority of 22 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Objects of Act.'

**Mr ATKINSON:**. Will the Minister say why it is necessary to insert the word 'administrative' in this clause?

**The Hon. G.A. INGERSON:** I have been advised that it is a consequential amendment on the review process and, if we are to have an administrative review as we suggest the Parliament ought to agree to, we need to put the word 'administrative' at the front. It is purely and simply consequential on that.

**Mr ATKINSON:** I should have thought it went without saying that a Government agency would conduct its administration without bias. I should have thought it unnecessary to insert the words. Moreover, when a body is adjudicating on the legal rights of parties to a case, it seems to me that it should be exercising a judicial function and not an administrative function. Why is the Minister setting up a legislative scheme which allows administrators to decide what are, in fact, judicial cases?

**The Hon. G.A. INGERSON:** The current Act talks of 'judicial' or 'quasi-judicial' matters. The advice the Government has been given from draftsmen is that it would

be easier to clarify the quasi-judicial role by making sure that the administrative function was covered. It is no more and no less than that. It is a clarification exercise, and it is the Government's view that it makes it clearer than its purely and simply saying 'quasi-judicial'.

**Mr ATKINSON:** Would the Minister concede that he is taking judicial functions under the Act and having them decided by administrators after the passage of this Bill?

**The Hon. G.A. INGERSON:** The Government is not doing that. I point out to the member that if he got the submission that was put to the then Labor Cabinet in 1985 by the union movement he would see that it strongly recommended that it should have an administrative system. The scheme originally started that way and the Government wants to return it to the scheme that was agreed to by the union movement and the employers at that time. The Government thinks that they were right.

*Mr Atkinson interjecting:*

**The Hon. G.A. INGERSON:** Yes, we did.

Clause passed.

Clause 4—'Interpretation.'

**Mr CLARKE:** I have a series of questions to the Minister which relate to the Bill and to which the Minister referred in his second reading last night. Courtesy of the *Advertiser*, the paid organ of the Liberal Party, I refer to today's headline '$100 million Compo Anger'. As to each of the claims about which the Minister issued a press release, will he reveal to me and a policy/research officer employed by the Opposition the details of those claims, because I believe there has been massive fabrication in respect of this point? I refer to a person who worked as Santa Claus. That worker contacted the Opposition today and advised our office that as a result of being kicked in the groin by a child when he was working as Santa Claus he suffered not only bruised testicles but a serious medical injury requiring surgical operation to a tendon in the area of his groin.

The sum of $4 300 quoted in the *Advertiser* included substantial medical expenses. We have heard about substantial medical expenses from the member for Peake and on Radio 5AD today, yet the person concerned received only a small fraction of the $4 300 in income maintenance. The Minister has deliberately misled the public on this case about which we now have more details. We believe you have misled the public about these other examples, and I would like to know all the details. The Minister should have the figures with him now. As to the nursing home employee who slipped at work bruising her back and buttocks and who received $167 521, what portion of that was for income maintenance and medical expenses?

I seek the full breakdown of those expenses. I want to look at the file, because I believe we have been given nothing but a series of fabricated examples. While the person described may exist, the case has been construed in such a manner as to put the poorest light on the worker concerned. I do not believe for an instant that that nurse received $167 000 in her pocket. I do not believe that the example the Minister gave in his press release about the $160 000 paid to a person with a strained toe went into the pocket of the worker and, therefore, I seek the full details of the case.

If the full $160 000 went into the pocket of the worker for no more than a sprained toe, with none of it going towards payment for medical, legal and other expenses, whoever authorised the expenditure at WorkCover ought to be sacked because that would represent gross maladministration by WorkCover. The only way we can determine the extent of the injuries and whether or not the expenses were really incurred—medical and other costs—or whether funds were spent on income maintenance is to examine the files. We need to know the proportions. The Minister ought to be able to reply immediately. He was good enough to issue a press release to the media last night, but it is amazing that the Minister advised us of it only at 11.30 last night, well after the *Advertiser* had gone to bed. Obviously the Minister issued the press release to the *Advertiser* in the afternoon, and so he will have full access to those figures.

The Minister would not want to take advantage of his position by colouring the substance of his allegations. This is a serious matter because, if a person with a strained toe obtained $160 000, the Minister should start pruning WorkCover managers because such a payment would involve gross maladministration. Will the Minister provide those details here and now? Will he allow me access to those files so that I can read them and ascertain the circumstances that gave rise to those payouts?

**The Hon. G.A. INGERSON:** The Deputy Leader knows full well that I cannot give him the documents.

**Mr Atkinson:** You gave them to the *Advertiser*.

**The Hon. G.A. INGERSON:** I didn't give the *Advertiser* any documents. Under the Act I am not allowed to do that—you know that full well. The Deputy Leader knows—

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** Give me time and I will sort you out as we go along.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** Santa Claus is a perfect example of why the scheme needs to be sorted out. Details of weekly payments under the scheme were included in a document forwarded to the Deputy Leader. I want the public to know that all these figures have been forwarded to the Deputy Leader, so there is nothing that I am going to tell him now that he does not already know. First, on average 42 per cent of all claims comprise weekly payments. He knows that every claim is made up of—

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** If the Deputy Leader is patient, I will describe the position to him. If the Deputy Leader looks at the documents I sent to him, he will find the information. However, as the honourable member did not read the material I sent him and only wants to play politics, I will put the information on the public record. Weekly payments involve an average cost of 42.8 per cent—

*Members interjecting:*

**The Hon. G.A. INGERSON:** These people have exactly the same average position as any other claimant in the scheme. Their position is no different. Medical costs comprise about 10.4 per cent, and in most instances there is an average lump sum payment of about 14.7 per cent. The Deputy Leader does not have to write down these figures because he already has the information—we sent it to him. You asked for it and as a good Government we sent it to you. If you look through your papers, you will find the information.

**Mr ATKINSON:** Mr Chairman, I rise on a point of order. The Minister refers to 'you' instead of 'the Opposition' and consistently addresses remarks to the Deputy Leader and not through the Chair.

**The CHAIRMAN:** The point of order is an ephemeral one and it has been repeated often in this Chamber. The Chair prefers to let the debate flow, but not to the extent that I will stand for interjections, to which the honourable member did

not draw the Chair's attention and which have been far more frequent than the Minister's occasional reference to 'you'. If the honourable member wishes to be pernickety over points, obviously the Chair will have to take a much firmer stand with regard to other breaches. I seek to let the debate flow fairly and keep tempers down. For the past 1½ days the debate has been conducted in excellent spirit, despite the occasional interjection from outside the Chamber, and I propose to carry on in that vein. The Minister will address the Chair and follow parliamentary protocol.

**The Hon. G.A. INGERSON:** Thank you, Sir. On average, hospital costs make up 3.5 per cent; vocational rehabilitation makes up 2.2 per cent; legal costs, 4.1 per cent; physiotherapy/chiropractor costs, 2.6 per cent; common law costs, 4.2 per cent; travel costs, .9 per cent (and some instances involve travel examples); and general investigations make up 2.3 per cent. I have not checked to make sure that that adds up to 100 per cent. We can translate those figures back to the examples and come up with a simple answer.

Let me talk about the whole issue of rorting. WorkCover employed McGregor Marketing to do a market study on people already on the scheme. The question concerned the percentage of claimants rorting or taking advantage of the WorkCover scheme. The question was asked of employees on the scheme, employers with employees directly related to the scheme and doctors involved in the scheme. A mean average of 33 per cent of the employees on the scheme believed the scheme was being rorted. When independently asked by a research company, one third of employees on the scheme said the scheme was being rorted. Thirty-six per cent—

*Members interjecting:*

**The Hon. G.A. INGERSON:** The Deputy Leader is saying we have got a good, tight, solid scheme and that none of these people are rorting; yet 33 per cent of the people who were surveyed who were employees currently getting benefits said the scheme was rorted—one-third of them; and 36 per cent of employers had the same belief. I am surprised it is that low, because I seem to get every employer in the State telling me it is being rorted. The most staggering figure of all, in my view, is that 20 per cent of the doctors say that not only the employees but also doctors are rorting the scheme. The Deputy Leader has the gall to come in here and question whether these things are legitimate, when—

**Mr Clarke:** You are the one who issued the press release.

**The Hon. G.A. INGERSON:** I have given these figures to the Deputy Leader before, and on average you can calculate these things.

**Mr Clarke:** You ought to be embarrassed by this.

**The Hon. G.A. INGERSON:** We're very happy; we put it out. As the Deputy Leader knows, I am required as Minister not to disclose the person's name. I will calculate the sum for the honourable member opposite. If $212 000 of the total cost has been paid out since 1987, he will find that 43 per cent of that is about $180 000. That is how much has gone into the worker's pocket in cash. It is quite amazing that, having had all that information sent to him, the man who is supposed to be the alternative Minister in this area has the gall to come into this Chamber and say he does not understand it and he wants the Minister to explain it to him. We have sent that document to the honourable member, and he knows he can calculate it and that he will be accurate to within 1 or 2 per cent. I would have thought that statistically that is pretty valid.

**Mr LEWIS:** Can I help the member for Ross Smith on some of the things to which he has drawn the attention of the Committee? I wonder whether he knows that it was the last Minister in the last Government, not this Minister, who screwed up when dealing with the maladministration problems in WorkCover and in particular who ignored the pleas from 'Santa Claus', who is a constituent of mine in the case to which he is referring, where that unfortunate gentleman, a really nice man, was kicked in the scrotum and injured his scrotum, testicles and abdomen. It was your callous, indifferent Minister who created this mess that that man now suffers from in consequence of the way in which his claim was not properly dealt with. The Minister refused to do anything about it.

**Mr Atkinson:** This Minister splashed it over the front page and called him a fraud.

**Mr Clarke:** He's your constituent, and he's calling him a fraud.

**Mr LEWIS:** Whatever the case, the fact is—

*Members interjecting:*

**The CHAIRMAN:** The member for Ross Smith and the member for Wright will come to order. The debate has been conducted in a very good spirit for the past day and a half but, if members choose to break down the operations of Parliament, obviously, there is only one direction for them to take. The Chair will give them all the assistance they require. I will not caution or warn anyone at this stage. I simply ask members to conduct themselves properly. The member for Ridley has the floor, and I remind the member for Ridley that the Committee stage is for questioning the Minister rather than to address comments to members of the Opposition. It is the purpose of the Committee stage to question the Minister.

**Mr LEWIS:** Thank you, Mr Chairman. I had not understood that Standing Orders required that remarks made under any clause be in the form of a question directed to the Minister but that, rather, there were three opportunities for comment—

**The CHAIRMAN:** The Chair was not sure whether the member for Ridley was answering questions on behalf of the Minister.

**Mr LEWIS:** I was hoping to be helpful in resolving the difficulties that had arisen and speaking on behalf of my constituent, who knows he has been referred to in this context and whom I know has been mistreated by WorkCover's administration.

**Mr CLARKE:** I thank the member for Ridley for his comment. It proves that 'Santa Claus', who was being put up amongst several others by the Minister in his press release last night as a rorter—a fraudulent claimant and someone to be despised and ridiculed—is in fact a legitimate worker, injured in the course of his employment. This is one of the other interesting things: at no stage has the Minister been able to say that any of these workers was not injured in the course of their employment. What he whinges about is the cost. As was seen with respect to the member for Ridley's own constituent—'Santa Claus'—overwhelmingly the money went in legitimate medical costs.

The question I was putting to the Minister is this: I know about the average figures that the Minister quoted, but then I also know what the average weekly earnings are in Australia. That is an average between what Kerry Packer earns and what a cleaner earns. That is nonsensical. Since the Minister was good enough to put these examples on the front page of the *Advertiser*, he ought to be able to provide the

Committee with a breakdown for each case. I want to look at the files—delete the names and any sense of identity such as addresses—because I know what the Minister did. He had WorkCover scurry around to pick out some choice morsels to back up his argument and then he had a nice conversation with the thugs who run the *Advertiser* at the senior management level. I hope they report that comment. I have no argument whatsoever with the working journalists, but I have absolutely no time for their senior management. I would be interested to know when you will finally report on your investigation on the *Advertiser* and its potential breach of the freedom of association provisions.

The situation boils down to the fact that this Government and the senior management of the *Advertiser* had this unholy alliance of squashing anything that would be detrimental to the Government being printed in the *Advertiser* and has had stories pulled relating to WorkCover in the past by direct contact between the Minister's office and the senior management of the *Advertiser*. That is distinctly unhealthy in a democratic society. The Minister should be able to get those breakdowns here and now because if he got WorkCover to go to the trouble of pulling those files he should have them at his fingertips. It is a nonsense just to supply the general average figures to arrive at them. It is the same as saying, 'I can work out Kerry Packer's wage by looking at the average weekly earnings.' That is absolutely stupid.

The other point on this clause is the suitable employment area and the changes to the definition that applies. How does the Minister believe that WorkCover will be able to find suitable employment for people who are injured, who may have a bad back, loss of hearing, lost a hand or something of that nature? I would be interested to know the Minister's interpretation, but my interpretation is that WorkCover will be able to say to a person who is a builders' labourer with year seven education and, who has a bad back and perhaps an injured leg at the same time that a job is available as a computer scientist. It could then tell that person to go out and train himself or herself as a computer scientist. It could deem that that person was able to work and therefore would only be on income maintenance of about $140 per week.

What efforts will this Government or WorkCover make to ensure that the type of worker whom I just described will be offered acceptable alternative employment that he or she is realistically capable of performing but with an employer who is prepared to take on board as an employee someone who is injured and may require extensive retraining? We are dealing with real people, and the Minister is suggesting that, through the artificial device to which I have referred, despite a year seven education and having only worked as a builders' labourer, if there is a vacancy as a computer scientist, a person, if he or she is capable of sitting at a desk, could, if trained, do that. We know that is a nonsense.

What will the Minister and WorkCover do to ensure that such a person is offered suitable work within that person's range of capabilities or reasonable opportunities for retraining, and find employers who will employ people rather than, as they do now, if they have a choice between an injured worker and a fit person, go straight to the fit person to perform the function?

**The Hon. G.A. INGERSON:** First, I will comment on the scandalous comments and encourage the Deputy Leader to make a comment outside this place that I or my staff have rung the *Advertiser* and had a story on Workcover pulled, because I have always wanted to be wealthy. The only problem is that the funds may not be there to the level of the suing that might take place. When the Deputy Leader stands in this place and accuses me individually and, secondly, as a Minister of the Crown, of deliberately having articles pulled from the *Advertiser*, he had better have the proof. I expect it not to be said again. It is really a flow on from the bully boy tactics of being in the union movement: stand over, knock them down and, if they do not believe you, knock them down again. If you are big enough, bully enough, round enough in the face and say it often enough, somebody gives in. I came up not in that school but in a school where, if truth needs to be told, one ought to tell it, particularly in this place.

This clause is absolutely clear in that it assumes that work is available. It relates only to partial injury that applies after 12 months. It is exactly the same as the agreement that was made in 1985, and I will read that out in a minute because it is a very important fact. The agreement between the unions, employers and the Metals Association in 1985 contained this clause. The Deputy Leader needs to go back in history and find out what the 1986 Act was supposed to have done, because at that time the unions controlled the rules. In terms of pension for economic loss for permanent partial incapacity, it was stated:

> Where the injured employee's injury has stabilised or at two years after the injury the employee is to be assessed re earning capacity in consideration of any loss due to the incurred disability. If the employee has been disadvantaged re future earnings a pension shall be awarded based on the difference between 85 per cent of his pre-injury earnings and his assessed earning capacity.

It has nothing to do with whether a job is available. The Labor Party and the unions put that paper together, and this was the basis on which the 1986 Act was written. I point out that this has been done in every State. The latest State to do it was Queensland where Minister Foley said, 'We have to sort out this exercise,' and he moved an amendment to that effect. This is what was intended in 1986. We have put it back because we believe that it is one of the ways in which this partial deemed exercise can be sorted out.

**Mr De LAINE:** I refer to the information given to the media. Is the Minister's provision of the details of individual WorkCover cases to the *Advertiser* a breach of Cabinet information privacy principles and, if not, why not?

**The Hon. G.A. INGERSON:** No.

**Mr ATKINSON:** Does the Minister accept that the definition of 'suitable employment' creates a legal fiction by the use of the words 'assuming that it were available'? If it creates a legal fiction, why is he asking the Parliament to assume that work is available in cases where we know it will not be available?

**The Hon. G.A. INGERSON:** This is made very clear in the Bill. It says that it has to be assumed that work is available. If it is not accepted by the employee, it is reviewable. Clearly, that is how it ought to be. This clause is similar to clauses in other compensation Acts in Australia. It seems odd that a group of people who like consistency and getting commonality in certain areas should be concerned about this being different. In this case we are being consistent, and it is reviewable. If this clause is implemented and the case is not acceptable to the worker, it is reviewable. I would have thought that one could give no more value to any clause that we might have in this legislation than that sort of option. We treat it seriously and give the option that it is reviewable.

**Mr ATKINSON:** It seems to me that it is no use having such a decision made reviewable when Parliament is telling the review officer to accept the fiction, because the fiction is enshrined in legislation. If I were a review officer reviewing

'suitable employment for a partially incapacitated worker means employment or other remunerative work that the worker could reasonably be expected to undertake (assuming that it were available)', I would have to decide that the work was available even though it was not in fact available, because that is what the Act tells me to do.

*The Hon. G.A. Ingerson interjecting:*

**Mr ATKINSON:** The Minister concedes the point. What is the point of having the decision reviewable when the review officer or any reasonable person has to come to a conclusion because the wording of the Bill passed by Parliament compels them to come to that fictional conclusion?

**The Hon. G.A. INGERSON:** I do not know what you have to do in this place actually to set out a clause so that the lawyers read further than the point at which they want to stop reading. The Bill refers to having regard to four particular instances. Having regard to those instances can be questioned and that is why it needs to be reviewable. Of course you have to make the assumptions, but you do that in every other State and it is accepted in the Commonwealth that—

*Members interjecting:*

**The Hon. G.A. INGERSON:** We get this argument. That is what the original Act was all about. I read out five minutes ago what the honourable member's Party said it wanted as an outcome. We have picked up a position that is consistent in Australia. It assumes that employment is available with some rules attached thereto.

**Mr Atkinson:** What if it isn't available?

**The Hon. G.A. INGERSON:** If it isn't available, you know what to do: you have to assume that it is available. That is what it says.

**Mr Atkinson:** What if it isn't?

**The Hon. G.A. INGERSON:** You assume that it is; it is as simple as that. I would have thought that that was pretty clear. If you are that dumb, you have a problem.

**Mr ATKINSON:** I would like the Minister to answer my question independently of what my Party has done in the past, of what my Party has done in other States or of what other State Parliaments or the Commonwealth Parliament have done. I want him to answer the question on principle. If what he says is true—that my Party, when it formed a majority in this House, supported a legal fiction—let me tell him that I do not support my Party's enshrining a legal fiction in legislation. Let us leave the other Parties and Governments aside. Let us debate this question on principle.

Four of the judges of the Supreme Court have implored Parliament to rewrite the WorkCover Act so that it is clear. The judges of the South Australian Supreme Court have said that they cannot understand what Parliament has written in its Bills. I am asking the Minister: why, in the light of that criticism by Supreme Court judges, is he writing another legal fiction into the Bill? I do not care whether there have been other legal fictions in the Bill in the past or whether there have been legal fictions in other workers' compensation Bills in other States and in the Commonwealth. I want him to tell the Committee, on principle, why we have before us an explicit legal fiction created by clause 4 of the Bill? Why does the definition of 'suitable employment' provide '(assuming that it [employment] were available)' when employment might not be available? Why does not the Minister draft or put before the House a Bill whereby cases are decided according to the facts, not according to an assumption made by the Bill that might be incorrect? Will the Minister please answer that question on principle and not by reference to some other political Party or some Parliaments past or present?

**The Hon. G.A. INGERSON:** I believe that the honourable member opposite understands the decision in the James case. It was as a result of the James case that fundamentally this whole workers' compensation scheme has become chaotic. That is one of the major fundamental reasons. What this amendment does is to correct and make clear the effect of the James decision. It was also the position put down by the previous Government in terms of what ought to happen. The other point that needs to be made is that 'partial deemed total' is a legal fiction as well. Does the honourable member say to me, '10 per cent partial should be deemed 100 per cent', whether it is economic or social, is legal commonsense? It is just legal fiction.

We are trying to get back to the position where this scheme is not about to compensate for economic unemployment. It is not about that. This scheme was not set up to pick up the unemployed: it was set up to pick up those who were genuinely long-term injured in work past the 12 months and those who were capable of returning quickly to work. That is what it was all about. Unless we put in these sort of definitions, we will end up with a very large number of people in the unemployment scheme. It was never intended to be that and we, as a Government, do not intend it to be that.

**Mr BECKER:** The duties of this review officer in assessing each case concern me, because we have such a large number of people who are on unemployment benefits and weekly payments. I would like to know how many people are currently on weekly payments. I believe that something like $132 100 000 was paid out last year—an increase of some 42 per cent over the previous year. I would like to know the reason for such an increase. I am also concerned about the review officer's position. I received a letter today from a constituent at Brooklyn Park which states:

> It is disappointing that the Liberal Party would consider introducing a Bill that removed a person's right to be represented in review arrangements, denies a person's right to an independent medical assessment and their right to continuing income maintenance. The concept of suitable employment is particularly disturbing given that we know that people with a permanent disability will find it nearly impossible to obtain employment given the current unemployment rates. The 'suitable employment' is just another excuse to further reduce the income of injured workers. The long term injured have already had their lives, dreams and aspirations dramatically altered. These people are required to live with constant pain and the inability to work and be productive both at home and in the work place.
>
> It is inconceivable to me that as a society we are now going to create further pain, suffering and financial disadvantage to this group and their families. I ask you to consider how the long-term injured will be able to survive on the disability pension.

It seems to me that the review process is long overdue. The original promise was that it would occur within the first two years. How powerful will this review officer be and how massive will the job be when considering the amount of money currently being paid out in weekly payments?

**The Hon. G.A. INGERSON:** I thank the member for Peake for his question. I am advised that, at any one time, 6 500 people are on the average weekly earnings. Obviously, that is a moving feast but that is the advice. The reason for the increase this year is that more people are on the scheme because they do not have to get off it. It is as simple as that. The numbers have gone up because they do not have to come off the scheme. The numbers are going up because there is no review process; there is no mechanism to say whether they should or should not be on the scheme, and so the numbers

just increase. That is primarily due to the decision in the James case which was decided some time ago.

There are 2 700 cases currently before review and the average time in having them resolved is about seven months, but some of them have in fact gone through for about two years. That is because of the legal involvement in the review, which initially was never believed to be the purpose of review. It was always meant, initially, that review would be done in an administrative sense, but we now have legal involvement in it, and the minute that happens you can be guaranteed that it will take longer. It is as simple as that. Our answer is to say 'Take the lawyers out of that system and put them in later on when the argument of law should take place, not administrative argument.'

**Mr BECKER:** Minister, you have just quoted 6 500 people on weekly payments. I believe that it was about $132 million. That is about $20 000 per person. That seems to be an awfully high figure, in one respect, bearing in mind that a lot of these people would be getting only 80 per cent of the original income, and some of them have been on there for five to eight years, like my constituent whom I mentioned last night—

**Mr Atkinson:** The workers are paid too much?

**Mr BECKER:** No; it seems a high figure for that period. Five years ago my constituent was getting just on $300 a week. He is now on $250 a week; that is all he is getting with 80 per cent. Quite a few people must be on a very small wage and quite a lot of people must be on a very high wage. An amount of $20 000 is not a great living wage, but at the same time I think there would be a huge differential. Referring to information that I have about people who have been injured, and to someone, for example, in the building industry, at 45 years of age:

> Lower back strain accident; moving material to sweep; bent over and hurt back.

Are not workers taught and trained how to bend down, instead of bending over, in order to avoid these injuries? Further:

> The injury heavily restricts capacity; condition compounded by psychological and social factors.

How does WorkCover go about measuring these problems and how does it arrive at the psychological and social factors?

> Employer cannot offer suitable duties. The general practitioner supports ongoing partial incapacity, partial deemed total.

The cost so far is $212 221, for a person who was employed in the building industry, at about age 45. True, a lower back strain accident can be terribly painful. Mind you, had he gone to a chiropractor I reckon it would have been fixed up in a couple of weeks, but there we are: the medical profession has that sorted out pretty well, because you have to get a medical practitioner to agree that you can go to a chiropractor, instead of going straight to a chiropractor. Here is someone in the cleaning industry, a female, 46, and her injury involves pain in the right shoulder.

> Accident: manually scrubbing carpet. Employer cannot offer suitable duties. GP supports ongoing partial incapacity, partial deemed total, due to age and lack of transferable skills.

There are a lot of these findings where the employer is unable to offer alternative employment, the general practitioner agrees with the injury or partial injury and supports the incapacity, and then we find that people have so far had about $275 000 spent on them. Another one has a dislocated right shoulder, $187 000; cracked and split cartilage, $152 000; lower back pain, $147 000. The list goes on and on. I wonder how the review officer will tackle these problems and come to some solution if we are to try to get some sanity in the whole scheme.

**The Hon. G.A. INGERSON:** I will answer the last question first. Most of these have already been reviewed. You have a situation where they have said that, with less than 10 per cent disability, you are partial deemed total for life, and the scheme cannot review. That is the situation. There are no further checks put in the system once that decision is made. You therefore have this continuation of very low level disability people staying on the scheme. As I said earlier, it was never meant to be an unemployment benefits scheme. That is basically part of what it is now. It is not totally that, but a very large section of the pay-outs are part of that.

The honourable member asked about the 6 500 individuals. It is 6 500 at any one time, but it is a floating feast. At some stages we could have 30 000 claims, but it moves up and down. We are saying that, on average weekly earnings, at any one point in time it is about 6 500 individuals. However, it moves up or down as the number of claims come through the system. It is just not right to say that the average person is on $20 000. We have to look virtually at every single case as we go through.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** No, I am just trying to tell you how many are on average weekly earnings at any one point in time; it is a moving feast. On any one day, it will obviously vary. Even the Deputy Leader would understand that if more claims come in and none go off, the figure will increase. If the reverse occurs, and we have some dropping off the bottom with no claims coming in, it will decrease. I would have thought that was fairly fundamental, but if he had been in business the honourable member would actually understand that.

The Committee divided on the clause:

AYES (29)

| | |
|---|---|
| Andrew, K. A. | Armitage, M. H. |
| Ashenden, E. S. | Bass, R. P. |
| Becker, H. | Brindal, M. K. |
| Brokenshire, R. L. | Buckby, M. R. |
| Caudell, C. J. | Condous, S. G. |
| Cummins, J. G. | Evans, I. F. |
| Greig, J. M. | Gunn, G. M. |
| Hall, J. L. | Ingerson, G. A. (teller) |
| Kerin, R. G. | Kotz, D. C. |
| Leggett, S. R. | Lewis, I. P. |
| Matthew, W. A. | Meier, E. J. |
| Oswald, J. K. G. | Penfold, E. M. |
| Rosenberg, L. F. | Rossi, J. P. |
| Scalzi, G. | Wade, D. E. |
| Wotton, D. C. | |

NOES (10)

| | |
|---|---|
| Atkinson, M. J. | Blevins, F. T. |
| Clarke, R. D. (teller) | De Laine, M. R. |
| Foley, K. O. | Geraghty, R. K. |
| Hurley, A. K. | Rann, M. D. |
| Stevens, L. | White, P. L. |

PAIRS

| | |
|---|---|
| Baker, D. S. | Quirke, J. A. |

Majority of 19 for the Ayes.

Clause thus passed.

Clause 5—'Average weekly earnings.'

**Mr CLARKE:** I want to raise a number of points with respect to average weekly earnings. One of the difficulties the

Opposition has is that the amendment severely restricts the level of payments to injured workers, even the 100 per cent that the Government proudly proclaims will remain for the first six months and 85 per cent for the following six months, and, indeed, even 85 per cent for the most seriously injured, which the Minister says is an improvement. Those who are deemed to be disabled by a 41 per cent incapacity are supposed to get an increase out of it but, in fact, the base figure is reduced with respect to average weekly earnings.

The amendment will not take into account, for example, that a number of workers, depending on their occupations, could normally expect, through an award structure or some other form of career structure, had they not been injured at work, to have had their salary increased in the course of 12 months. It could be an incremental scale such as that applicable to teachers or police officers. Depending on their occupation and qualifications, they may have been entitled to a higher classification within their employment.

Again, this strikes at the heart of the fact that an injured worker should be placed in no worse position than had they not been injured at work. We must take into account the fact that this is a workers' compensation system. People are only paid it if they are injured at work in the course of their employment. It does not involve an injury sustained because they have voluntarily signed up at the football club, put on a guernsey and played football to earn a few extra dollars—and good luck to them if they do. This Act covers them for injuries sustained in the course of their employment.

All we are seeking to do with the definitions with respect to average weekly earnings is to maintain that under the existing legislation, which already severely circumscribes the availability of overtime that is able to be paid—and I think that came through in the 1992 amendments. In relation to employers' concerns about overtime—putting aside the respective merits of the argument, which I know a number of unions would have—the inclusion of overtime in the calculation of average weekly earnings has already been restricted quite severely; it goes more to the question of future earnings that a worker could reasonably have expected to earn because of the type and nature of their career, where they would have graduated to a higher salary or a different classification structure which had with it a higher salary level.

Another point that I want to raise, because it does deal with earnings and the like, concerns the article in today's *Advertiser*. So far we have not been given any information by the Minister as to the specific breakdowns of payments to those injured workers. That does surprise me, as I thought that that would have been the case. However, as the Minister has been so concerned about rorting in the system, I would appreciate information from him with respect to each of those examples he gave us last night. Has the Minister instigated any inquiry by WorkCover as to whether those individuals have in fact been fraudulently claiming money from WorkCover? Were the certificates issued by the treating doctors with respect to each of those persons identified in the article in today's *Advertiser* investigated to see whether they were a fraud and a rort on the system?

**The Hon. G.A. INGERSON:** The reason for the change is to put certainty into the calculation. At the moment there is guesswork as to what might happen tomorrow—no-one knows—whereas this allows for everyone involved in the scheme to look at previous workers' income and to assess it accurately. That can be done in 99 per cent of cases, but there will always be someone who wants to abuse the system, and that would happen whatever system we have. However, it puts more certainty into the calculations rather than having guesswork. In terms of the four people mentioned in the *Advertiser*, there is no question about fraud; there was no mention in that article about fraud. It was clearly set out—and the member opposite knows this—that it was legal abuse.

As far as the Government and I are concerned, the scheme is legally wrong and it is a legal abuse of the scheme; in other words, the legal framework is wrong. There is no fraud in this scheme. No-one is picking out someone and saying, 'This worker has defrauded the scheme.' We are saying that these workers have been able to get larger sums of money out of the scheme than would be the case if it were properly structured and in line with the original intention of the Act. That is all the Government is saying. There is absolutely no question about whether anyone has defrauded it. We are saying that the legal structure of the Bill enables this sort of abuse. It is not fraud; it is abuse in the sense that it is our view, and my very strong view, that people with disability levels of less than 10 per cent should not be on the scheme for seven or eight years.

That is what is wrong: it is a structural, legal problem. I want to make very clear, so that the Deputy Leader does not run out and say anything else, that there is no inference that any of those mentioned in the paper, nor any of these people, as far as I am aware, have deliberately defrauded the scheme. What I am saying is that, because the scheme is set up like it is, these people are able to use the scheme and stretch it to its legal maximum. The original intention of the Act was—and all those involved in it know it only too well—that we have a review system and this sort of continuing payment for this sort of injury was never meant to continue for the length of time it is currently doing. That was what my comments were about and I will stand by that.

**Mr BROKENSHIRE:** I realise that WorkCover has an unfunded liability of $153 million—and that has been assessed by independent actuaries. Of course, currently that is running at $7 million a month, or almost $2 million a week, and I understand that we are not in a position where we can continue to sustain that. We all know the deplorable history of WorkCover and, frankly, next to the State Bank's loss to South Australia this would have to be the second largest disaster that this State has encountered. Of course, legislative amendments or a Bill that dealt with legislation could have fixed the problems a long time ago and everybody would have been a lot happier than they are today. We all know that Labor pledged that it would be fully funded, but, of course, it never has been. I have had many cases come to my office over the last few months: genuine cases, general constituents—most of them well known to me.

**Mr Atkinson:** All of them?

**Mr BROKENSHIRE:** All who have been in my office have been very genuine. There have been a couple who have been reported by constituents in the electorate whereby they thought there were rorts involved and I have had no problem in making sure that they are investigated. But the ones coming in have been genuine. One example is a gentleman who came in with a simple knee injury. He wanted to get back into the work force, and as quickly as he could. I have watched that gentleman for nearly 1½ years now and, frankly, that person is now a mental and physical wreck. He said to me, 'Robert, all I had was a problem with a knee and I really want to get back into the work force but it is absolutely impossible.' The psychologists seem to be making it more difficult for him and he gets different case managers every

other week; in fact, he has a problem trying to work out who his case manager is.

They all agree that the system needs a hell of a lot of work done on it. In fact, I have not had one person come into my electorate, whether they be genuinely interested in WorkCover or specifically a claimant, who has not agreed that a lot of work has to be done on this particular legislation. Of course, recently the solicitors have been pretty active. One of them rang me and said, 'Robert, you really do have a problem with the WorkCover system'. In fact, he said, 'Frankly, I do not how you can fix the WorkCover system by amending it. The whole system needs to be thrown into the bin and started again.'

Yesterday the member for Ross Smith spoke about the fact that people would become suicidal as a result of these proposed amendments to the Act, that the divorce rate would increase, and so on. I happen to know for a fact, and I would like to remind the member for Ross Smith, that this has already been happening for years and years and years. In fact, I have been extremely worried about the number of people in my electorate whose marriages have broken up, who have thought seriously about committing suicide, and who, when they come into my office, are just a bundle of nerves. They are not the people, not the friends and not the constituents that I used to know. Frankly, I am not happy with that one little bit.

Of course, on the other hand, this is the only State where the Federal Government makes no contribution towards any form of compensation on a long term basis. Of course, we all know that South Australia clearly cannot afford to be out on a limb, unfortunately, especially when we have the massive debt load to address. We need to have workers' compensation that is at least equivalent to all States. I for one would not accept anything less than compensation that is equivalent to other States, and I will always argue that. Of course, it is pretty difficult to argue that our situation should be better than that of any other State given the reasons I have just put forward.

Another problem that claimants have put to me is that they are absolutely frustrated by the amount of time they are put through being dragged through the system. They can never get answers or have meetings with WorkCover. I am talking about people who have been in the system for five or eight years. There is no direction from the administration and, as I said before, they do not even know who their case managers are. Another problem in my electorate is that people say to me, 'Robert, we have unemployed children. We want them to have jobs. They are missing out now. Clearly, whilst the WorkCover levy is so much higher than other States our children will not be able to get those jobs.' They want to make sure that the system is reformed so that their children can get jobs.

I understood that this system was modelled basically on the Federal Government's Comcare system, which appears in most instances to be working. I have not seen unions going on strike against the Federal Comcare legislation, and I have not heard Mr Hawke or Mr Keating say that it is an immoral piece of legislation. In 1985, the UTLC in South Australia and the Chamber of Commerce and Industry said clearly that the Commonwealth Government should contribute toward the cost of the WorkCover system. That has been documented by the United Trades and Labor Council in this State.

In principle, I support these important changes to WorkCover. I was put in as a member of this Government to make sure that along with many other areas it improved the WorkCover scheme. My real concern with respect to clause 5 involves the people who are already in the system and how we are going to get them out because, as I said earlier, by and large, those people are genuine, and they should be given a fair go. Frankly, under the Labor Government and the way in which this atrocious WorkCover legislation has been operating they have not had a chance. Many of them have said to me that if they could get a commutation of $30 000, $50 000 or $70 000 they would gladly sign an agreement to say they had no further claim on WorkCover and get on with their life. They have not had a chance under Labor or the current system under my Government to be able to do that. They believe that if they could get that money and get on with their life they could create jobs in private enterprise. They are worried about losing their home and about the fact that they may have to live on $50 a week.

My question concerns an area about which I am slightly confused, and I ask the Minister to explain. The other day I received a pamphlet from the UTLC. With respect to clause 5, it states:

> Even workers with a 40 per cent plus impairment are not safe—entitlements will be 85 per cent of average weekly earnings less any income that could be made from 'suitable employment' whether such employment actually exists or not.

Another claim that it makes is:

> The majority of injured workers will lose access to 'non-economic loss' of (section 43) lump sum claims as they will be below the prescribed 10 per cent disability minimum.

My question with respect to this clause is: given that I understood that we were going to adopt the scale under the Comcare system, will my constituents be grossly jeopardised and miss out under this proposal or will they be given an opportunity to get on with their life, as I have explained, and receive a reasonable amount of money?

**The Hon. G.A. INGERSON:** First, I will deal with the unfunded liability. The amount of $111 million, which was announced in December, was arrived at independently. The balance of the unfunded liability that has occurred since then is calculated, as it always is, by the internal actuaries who work for WorkCover. Their actuarial result versus the independent one has been very close. The last $45 million is done internally, and the independent actuary will be reporting in March. It is the Government's view that it will be very close. The only reason we say that is that that has always been the case.

In terms of looking at the other States, there was an interesting interjection from the Deputy Leader about common law. I note that common law was abolished in the Commonwealth in December 1988. As the honourable member would be aware, it applies in most other States but not in the Commonwealth. The clause will put some certainty into the whole exercise, and it will make sure that we are not guessing in terms of future employment possibilities, because there is uncertainty in that area. As I said earlier, a large number of reviews take place, and they disclose what the true figure ought to be. The Government believes that this will give the process more certainty. Clearly, it is about employment. It is the Government's view that overtime—and we have expressed this for a long time; it is not new—should not be included at all because those who are at work do not always have consistency in respect of overtime. Whenever you add it in and then take it across the year, it gives those off work an advantage against those at work.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** I accept that it has been modified. It is the Government's view that it ought to be taken right out, and that is a view that we have put before Parliament many times. In this case it is a very positive view and one that we have had for many years. It is no more or no less than following what we believe ought to be the case.

**Mr WADE:** The term 'relevant period' is defined as the previous 12 months overall. The Bill does not stipulate whether the employment period is with the same employer or with several different employers. Will the Minister clarify the position in respect of 'relevant period' and in respect of the name of the employer?

**The Hon. G.A. INGERSON:** The intention is for it to be with one employer. Obviously if you had more than one employer in a 12 month period then, in essence, it is the multiplicity of those to give you your 12 month average, otherwise there is no way to work it out. No-one can guarantee that a person will be with the same employer in any period of 12 months. One aspect of the scheme—and the Government has not attempted to make any change in this area, but it is a problem—is that when you have a second job in the one day and that happens to be paid at a significantly higher or lower rate, depending on the number of hours worked, it creates problems in terms of who is responsible for the employment. We are looking at that issue, but it is not covered in this Bill. It is an issue in respect of employment.

**Mr ATKINSON:** I compliment 'Essex man', otherwise known as the member for Elder, for his splendid question of the Minister; we were all interested in the answer. One would expect that someone who was an industrial relations officer at Arrowcrest during the John Shearer dispute would have the insight to ask such a question.

*The Hon. G.A. Ingerson interjecting:*

**Mr ATKINSON:** I was at the SDA for about three years. The Labor Opposition takes the view that for blue collar workers overtime is consistently part of their weekly pay and in some parts of the retail trade, which as the Minister points out I had the honour to represent, working overtime was sometimes compulsory. I put to the Minister that it is the function of review officers exercising a judicial function to adjudicate on individual circumstances. By this clause the Government will not take overtime into account in calculating workers' pay. Therefore, it is acting in a Procrustean manner; it is treating different cases the same.

If the Government will not take overtime into account, even though it is an important component of the pay of some blue collar workers, why will it not go to the logical conclusion and insist on every injured employee receiving the same income maintenance?

**The Hon. G.A. INGERSON:** That sounds to be an amazing social policy. If the honourable member espouses that everyone should go down to the average payment on the WorkCover scheme, I would be interested to see what his constituents say about that, because there would be a considerable drop for a large number of people. As I said in reply to a previous question, it is our view that overtime should not be included in the payment of average weekly earnings.

**Mr CLARKE:** As to the reduction in State average weekly earnings from two to 1.5 times, how much does it save the Government or WorkCover? I suspect that in the great scheme of things it is not a huge cost impost on WorkCover, but twice average weekly earnings is a cap of about $1 200 a week. Ordinarily one would have thought that the Labor Party was not interested in people earning $1 200 a week or more because they are not usually amongst our strongest supporters. However, we are concerned about people generally and, unlike the Minister, we have a social conscience in this area.

Also, a number of blue collar workers, depending on the work they are doing, are required to work by their employer. In the clerical area I know of the overtime worked by shift workers and others at Adelaide Airport. An enormous amount of overtime is worked there because the employer refuses to put on full-time staff. To build the Myer Centre at the Remm site we had workers working seven days a week and the site was open for 24 hours a day. That was a disaster and a scandal in terms of occupational health and safety because people were walking around like zombies late at night working under lights in a heavy work environment where accidents were bound to occur.

They were earning sums like that, putting in as they were 70 hours a week. Why should those people miss out on their earnings when they were injured on the job? They should be compensated appropriately if that is what they were earning. How much money is it worth?

**The Hon. G.A. INGERSON:** It is a small amount, and the Deputy Leader knows that because we supplied that information to him. It is between $300 000 and $500 000 a year. The figure of 1.5 is in line with the majority of the States. As to the Remm site, members ought to know that the previous Minister was glad to tell me that WorkCover had to have an officer on site because at one stage more than $1 million a week in compensation was paid out on the Remm site. An officer was located there because the rorting of the system on that site was so great in regard to compensation. It was one of the biggest single rorts that has occurred in any single area. It was necessary to have on the site a workers' compensation group to try to keep the problem under control.

About $1 million a week was being paid out in compensation from that site. I am fascinated that the Deputy Leader says that that should never have been allowed. However, the Labor Party was in government and, if there was a safety problem, why did not the Labor Government do something about it? It did not do anything about it because its mates were having a wonderful time earning plenty of dollars in the real world and earning plenty of dollars rorting this WorkCover scheme. That is the reason.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** If you had occupational health and safety problems there, why did not the Labor Government do anything about it? It did not do anything about it at all.

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

**Mr De LAINE:** I would like to make a point in relation to income maintenance and taking overtime payments into account in working out the weekly payment to the injured worker. I would warn the Minister that it is a pretty dangerous situation not to allow overtime to be taken into account, because all it will do is encourage people to do certain things. As the Deputy Leader said before the dinner break, people work regular overtime and they style their lives around that overtime. If that is not taken into account, the problem is that if the worker is injured, but not badly, he or she may choose not to report the injury and may go ahead and keep working to maintain their income, knowing that if they claimed from WorkCover they would lose that part of their income. The result is that over time that injury would probably be

aggravated by their continuing in the workplace and become worse, not only for that injured worker but also it would eventually cost a lot more to rehabilitate that worker.

The other problem is that, with a worker carrying an injury, there is the potential for that worker to make mistakes and do something that would endanger the life or well-being of a fellow worker working next to them. For those reasons, I ask the Minister to reconsider not allowing overtime to be taken into account in income maintenance. It is a fairly important principle, and those two dangers alone would substantiate that view.

**The Hon. G.A. INGERSON:** I understand what the member for Price is saying. For many years now the Government has made known its very strong views about overtime and, whilst I hear what the honourable member is saying, it is our view that it should not be included.

**Mr CLARKE:** Before the dinner adjournment something quite remarkable happened to the Opposition. Following my less than complimentary comments about the morning newspaper—a paper with which we have had difficulty communicating, having sent and hand-delivered faxes and press releases and done all sorts of things—in the space of a matter of few minutes, what faxes could not have done, a few words here in this Chamber achieved—a phone call from senior management of the *Advertiser* wanting to discuss certain matters. I am truly amazed and absolutely exceptionally pleased at its response, because it shows that, if you keep knocking your head against the wall, you will occasionally scratch the paint surface.

I find particularly amusing the fact that, notwithstanding our trying to have the *Advertiser* interview two injured workers on the weekend, no-one turned up on the Sunday, having claimed they had lost faxes, press releases, invitations and so on, but they were able to write a thundering editorial against my Leader on the Monday morning. I am grateful for the fact that somehow or other my message from this Chamber went through the ether and landed on the doorstep of a senior management person in the *Advertiser* in a matter of 20 minutes and communication was established. I am sure the Minister would have no idea how that would have happened so promptly.

New section 4A (page 4) covers the extent of permanent impairment and related non-economic loss and, in particular, the Comcare principles to be inserted by this Government. I recall that yesterday the Minister was interjecting on me, as is his wont from time to time, and I gave examples of the Comcare regulations, how they would be interpreted and how seriously injured workers, under the Comcare guidelines, would not be able to receive the enhanced pension payments—the 85 per cent level about which the Minister has talked for those who are more than 40 per cent injured. I gave examples from the Comcare booklet as to the level of impairment.

The Minister by interjection said that I was wrong, but I have the Comcare document with me. It was issued by the Australian Government Publishing Service in Canberra and headed 'Guide to the Assessment of the Degree of Permanent Impairment'; under table 9.3, relating to the description of level of impairment, it states that any one of the following—amputation below knee with functional stump, amputation of ankle, amputation of all fingers except thumb—equals to only 30 per cent under the Comcare guidelines, as I said yesterday.

With respect to hearing (table 12.2, page 48), if as a result of neurological disability you are unable to read at all, there is a 35 per cent impairment, and if you are able to understand single words only, there is a 40 per cent impairment, so you do not get over the threshold in terms of getting the enhanced benefit, which the Minister keeps talking about. Table 12.3, in the neurological section, deals with persons who are limited to uttering single words and/or social or stereotype phrases; there is a 30 per cent impairment. If there is no useful speech, including unintelligible speech and speech limited to swearing, there is a 35 per cent impairment.

I want to take the Minister to the Comcare guidelines, because what I said yesterday was the end result is borne out in the document from Comcare. I should like the Minister and the Government to appreciate that, instead of these large numbers of genuinely hard done by and badly injured workers who would be in receipt of his enhanced pension level benefits, we are talking about a minute number of workers who would be so severely injured as to qualify for the above 40 per cent disability. We are virtually limited to quadriplegics, paraplegics and people who are really badly injured. If someone loses a leg but still has a functional stump, it is 35 per cent. In terms of head injuries, which unfortunately occur from time to time, one would virtually have to be almost brain dead to qualify under the Comcare guidelines.

The people whom I have described and who would fall below the 41 per cent would be in receipt of the social security benefits, even though their disabilities were so significant that the chances of their gaining other paid employment were virtually non-existent. Therefore, we will have a whole raft of severely injured workers who will suffer a considerable loss in income and standard of living and who will have no realistic prospects of obtaining other employment.

We also have the absurd position under this proposed legislation that persons with less than 10 per cent disability will not receive any payments. It is a purely arbitrary figure, as I said yesterday. If a person is assessed at 9 per cent—we can see how arbitrary the Comcare guidelines are—that person will get nothing; but, if he is assessed over 10 per cent, he will get something. On the other hand, one can have a 1 or 2 per cent disability and be 100 per cent incapacitated for work. Alternatively, a person could have a 10 or 11 per cent disability but have a 100 per cent capacity for work because the disability, depending on the trade, occupation or vocation, may still allow someone to carry out a job. For example, a clerk who lost the use of a hand, some fingers, or something of that nature, would no doubt be able to work effectively in a clerical occupation, whereas a tradesman, builder's labourer, or somebody of that nature, who lost the use of an arm or leg would not be able to get a job in those areas.

Whilst we may laudably talk about re-employment opportunities, the chances are that that will not occur. Unfortunately, unless employers are heavily subsidised by the compensation system or some Government social security system, and they have a choice between able-bodied persons and those who are on the workers' compensation system, those latter persons will not be hired.

That is of great concern to the Opposition and that is why we oppose Comcare. I do not really give a continental whether it is applied in the Commonwealth Public Service. I say that advisedly, because there are Commonwealth public servants who are also citizens of South Australia. However, this Parliament does not have any authority regarding compensation matters for those employees. I can do my best only for those who are subject to the laws of this State with

regard to compensation. If another Government, whether Labor or Liberal, brings in a system which produces unjust results, that is no ground for extending that injustice further into other parts of our State legislation.

**The Hon. G.A. INGERSON:** First, the tables are cumulative and the Deputy Leader would know that that is the case. That is why we have the cumulative charts at the back. It is estimated by WorkCover that about 25 per cent of people in the tail will end up with disability levels in that combined table of 41 per cent or more. In the case of table 9.3, the point that was mentioned earlier, if members refer to table 9.1 they will see that it states that the values are for one joint only and where more than one joint is affected values should be combined using the combined values. However, the tables generally represent combined values and you just add it together, then look at the tables at the back and calculate the percentage. That is the advice that we have been given.

Secondly, the level in Victoria has been placed at 30 per cent and not 40 per cent. So, there is already an example of the use of this type of cut-off line as it relates to disability calculations. We believe that the current system, which uses the AMA guides and the third schedule, is very complex and it is causing many problems. The best example is the sex impairment area. That does not occur under this guide because it basically provides that unless it is directly related to the sexual organs then no extra payment is made in terms of sexual impairment. I mentioned some examples earlier today.

It is also important to note that the percentage used in this guide is the same as that used in the AMA guide and it has been agreed by the ACTU and by the Federal Government. Finally, as I said earlier, as far as we are concerned, consistency is really the goal we are attempting to achieve. We want the set of standards with which the AMA in this State is already working in relation to the Commonwealth and with which we believe it would be happy to continue to work within the State system. It is important to note that the values table works right through the scheme. Knowing the legal profession as it operates at the moment I believe that it would be out of character if it did not maximise the combined nature of these tables.

As I pointed out earlier today, one of the major problems in the scheme over the past few years has been the pushing out of the sides of the scheme by the legal profession. If you open a crack you open the door. This is a reasonably tight scheme. It has well accepted combined values at the end that maximise and mix the impairment levels. Again, as I said, it adds consistency to our scheme versus the Federal scheme.

**Mr CLARKE:** I refer the Minister to table 9.3 of the Comcare guide. The Minister refers to the 'additive'. I see what he is getting at in one sense. If you lose your leg—that is, below the knee and are left with a functional stump—that is 30 per cent, and on the other foot you lose all your toes, that is 10 per cent. That is a total of only 40 per cent. I would find it a bit difficult to stand up with one leg with a functional stump and the other without any toes.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** Can the Minister describe how a person gets over the 40 per cent threshold?

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** Exactly. If I have an amputation below the knee, I have a functional stump and that is 30 per cent. If I lost part of my leg that would remove my toes on that leg, and if I lost the toes on the other leg that takes it to 40 per cent. I am not over 41 per cent to qualify. Can the Minister explain further, by illustration, the level of physical impairment before a person gets over 41 per cent by reference to table 9.3?

**The Hon. G.A. INGERSON:** The honourable member can use the table and work it out.

**Mr CLARKE:** The answer, quite clearly, is that the Minister knows as well as I do that what he has been touting is absolute nonsense. He is quite right: you add it up, exactly as the Minister says. But a person has to be quite severely disabled to get to that 41 per cent threshold. I do not know where this 25 per cent came into it—I may have misunderstood the Minister—but overwhelmingly perhaps only 1 or 2 per cent of long-term injured workers would receive any benefit out of this Bill by using this 85 per cent.

**The Hon. G.A. INGERSON:** My advice is that 25 per cent of people who are currently in this tail—and the Deputy Leader would clearly understand what I mean—will be covered by the 40 per cent. As I said earlier, 68 per cent of that tail have disability levels of less than 10 per cent, so the balance in the middle will be treated harshly. I have said that. There is no question about that. But, as advised, 25 per cent of those people who are currently on our scheme would fall within this 40 per cent level.

**Mr ATKINSON:** 'Prescribed minimum' is defined as 'a minimum rate of remuneration fixed by regulation'. How can the prescribed minimum still be described as income maintenance when it is unrelated to the amount the worker earned when he or she was injured?

**The Hon. G.A. INGERSON:** The prescribed minimum has never been set. It is currently in the Act and it has been reproduced as part of this clause in the total reprint. With an amount of 85 per cent, or 1½ times average weekly earnings being set as a maximum, there is no necessity to have a minimum level because it will come down to a fixed pension rate. In the current scheme, because 80 per cent of the average weekly earnings is what a person is paid, there is no need to have a prescribed minimum.

The Committee divided on the clause:

AYES (27)

| | |
|---|---|
| Andrew, K. A. | Ashenden, E. S. |
| Baker, S. J. | Bass, R. P. |
| Becker, H. | Brindal, M. K. |
| Brokenshire, R. L. | Caudell, C. J. |
| Condous, S. G. | Cummins, J. G. |
| Greig, J. M. | Gunn, G. M. |
| Hall, J. L. | Ingerson, G. A. (teller) |
| Kerin, R. G. | Kotz, D. C. |
| Leggett, S. R. | Lewis, I. P. |
| Matthew, W. A. | Meier, E. J. |
| Oswald, J. K. G. | Penfold, E. M. |
| Rosenberg, L. F. | Scalzi, G. |
| Such, R. B. | Wade, D. E. |
| Wotton, D. C. | |

NOES (9)

| | |
|---|---|
| Atkinson, M. J. | Blevins, F. T. |
| Clarke, R. D. (teller) | De Laine, M. R. |
| Foley, K. O. | Geraghty, R. K. |
| Hurley, A. K. | Stevens, L. |
| White, P. L. | |

PAIRS

| | |
|---|---|
| Baker, D. S. | Quirke, J. A. |

Majority of 18 for the Ayes.

Clause thus passed.

Clause 6 passed.

Clause 7—'Compensability of disabilities.'

**Mr CLARKE:** My concern here is the change in the definition of a disability, and in particular proposed new subsection (2):

A disability arises from employment if—
(b) the employment is the sole cause of the disability or a significant contributing factor.

This is not my most immediate concern but one that will cause WorkCover and the Government, as well as the average worker, a great deal of concern, because there will be a great deal of litigation on this. The definition in the existing Act of a disability arising out of or in the course of employment has been well litigated and is substantially understood by practitioners in the field.

By introducing this new definition, it seems to me that the Minister, if he is trying to limit the grounds upon which a worker can claim compensation as a result of an accident which he or she believes arose from their employment contract, will provide the very people he dislikes the most, that is, lawyers, with another field day in the Supreme Court seeking judicial interpretation of these words. It seems he is making a free meal ticket for many people in the legal profession, the people he does not like apparently, and that WorkCover will end up paying significantly in legal costs. More particularly for employees, there will be a lot of unnecessary anxiety in what might be years of lead-up to an appeal launched in the Supreme Court to determine their fate.

Is the Minister conscious of that point? Why is he including the amendment in its current wording given that the former wording has been well litigated? Is it the Government's conscious intention to reduce the scope of employees able to claim workers' compensation from that which exists presently?

**The Hon. G.A. INGERSON:** It is our view that there is a whole range of disability claims in this scheme that are not work related. I talked earlier about the sexual impairment clause. I do not believe that that disability ought to be paid for under this scheme unless there is a direct accident causing injury to that particular part of the body. To be able to get a 50 per cent and 60 per cent claim running into thousands of dollars for sexual impairment is just a nonsense.

Early in the year we had the example of a woman who fell out of a tree while picking apricots at her place on the Sunday so that they could have a work picnic on the Monday, and who was able to claim a connection with work, the contributing factor being that the apricots were going to be used in the pie that was going to be served on Monday. That is just an absurd sort of exercise. We are saying that the work ought to be a very important contribution to the disability. As the Deputy Leader would know, in Queensland recently the Minister put this clause into the Bill and it caused so much concern within the Labor Party in Queensland when the debate was carried on that it just has in the *Hansard* 'Clause noted as read': no debate, no nothing. The reason there was no debate was that the Minister put into his speech the fact that, unless these sorts of tightenings-up occurred in the scheme, you would not have a scheme.

The Minister in Queensland is a very strong Labor man, but he recognised that you have to limit workers' compensation in terms of when you can get on the scheme and how quickly you can be taken out of it. Those two parts of the scheme must be tightened up. Also, as far as we are concerned, the use of the words 'significant contributing factor' will put it beyond doubt in the courts.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** I understand what the honourable member opposite says, but the reality is that work ought to be a significant contributing factor to workers' compensation, because that is what it is called: it is compensation for disabilities at work, not for disabilities that are dreamt up in moonlight; they get dreamt up just to suit the occasion or added on because there might be some whimsical thing that needs to be done at night. It is about compensation for injuries at work. We made that distinction very clear when we argued the case for journey accidents early in the year.

Clause passed.

Clause 8 passed.

Clause 9—'Discontinuance of weekly payments.'

**Mr CLARKE:** Many of the points I would make I have already made in my second reading speech. We are totally opposed, obviously, for reasons that I expanded upon yesterday in my second reading contribution. This is a dramatic reduction in the standard of living of injured workers, in particular with respect to workers who are on stress leave, as those persons are treated less favourably than those who suffer from a physical injury. I pointed out in my second reading speech, when I quoted from the letter from the Royal Australian and New Zealand College of Psychiatrists, that they, the Law Society and just about every reputable body that has any dealings whatsoever with the work force find it absolutely incomprehensible that the Government could say that a person with a mental injury is to be treated as a second class citizen *vis-a-vis* those with a physical injury.

It sets the clock back something like 100 or more years in terms of how society treats people with mental injuries. In this increasingly complex world in which we live and work, a number of jobs that entail a great deal of stress are imposed on the work force. State Government employees are very much involved in areas of highly stressful jobs, be they prison officers, nurses, teachers, family and community welfare officers, or police officers. Yet the Government is saying to many of its own employees, 'You don't really have an injury that counts because we cannot see it; we cannot see it as we can see an amputated limp, a blind eye or some other physical disfigurement, and therefore you are entitled to receive income maintenance for only 26 weeks, and the social security pension rate thereafter.'

I know that the Minister will refer to all sorts of examples that he no doubt will try to trot out, stating that stress claims are fanciful; how there are rorters in the system; and that, because WorkCover and the legal system apparently, according to his view of life, cannot identify those rorters—no matter how few they may be—to get at them, we shall punish equally everyone with a mental injury. That is true not just in relation to Government employees but also—as I have known first hand—in relation to employees who have been harassed beyond endurance and who are mentally stressed and cannot return to work.

I know of a company and an employer, who is a crash repairer at Holden Hill—and I am quite happy to name that person because I had dealings with him and his firm when I was secretary of the union—who has so stressed out his employee that she has been on WorkCover now for probably the best part of 18 months, and she has endured a number of review hearings as a result. Her employer was able to get hold of her medical records and, because of a defect in the existing Act as far as confidentiality is concerned, send the information on her medical records to her husband's employer so that it could be disseminated amongst her husband's work colleagues. The employer has phoned her and has disseminat-

ed letters to her neighbours about her medical condition contained in the medical records that WorkCover held. When the husband and wife went to their lawyer to prepare to proceed with a defamation action, their lawyer assured them they would win if they could sustain their costs—because the employer concerned had sufficient financial resources to say, 'You can go at me as much as you like and, if necessary, I will go right through to the High Court. If that takes two or three years, have you got the financial resources to follow me there?'

The employer who runs this Holden Hill crash repair workshop is an absolute disgrace. He is costing WorkCover and the community of South Australia literally tens of thousands of dollars a year. My notes are upstairs, but if I get time I will go up and get them so that I can read out the name of the employer concerned and get it absolutely right. According to the Minister's Bill, that woman, through no fault of her own, would have been told, 'You will go onto social security benefits after six months'.

There are many such people, and I gave other examples yesterday. I do not want to go through each and every one of them. As MPs, we have all had people like that come through the door. The legislation is bad enough, putting people onto social security benefit levels after 12 months unless they reach this miraculous 41 percent threshold, with which even the Minister is having some difficulty in trying to compute and determine the number of people. Of course, the Minister says, 'I have been advised that this is what it means—25 percent', but when I asked the Minister to use the Comcare guide he found it somewhat difficult to envisage and put together the additions necessary to qualify somebody at the 41 percent level.

That is bad enough, but to say, as we near the end of the twentieth century, 'We do not recognise people with stress or mental disabilities as being in the same category as those who suffer from physical disabilities' is an absolute outrage. It is an absolute outrage that, five years before the end of the twentieth century, we do not treat people equally for their injuries, whether they be mental or physical. I would ask members opposite, since they are the ones with the numbers, to absolutely rebel against that notion. No right thinking person could say there should be such discrimination.

Another absolute outrage is the discontinuance of weekly payments. Under the present system, if WorkCover wants to discontinue weekly payments, it can. The only thing it has to do is give 21 days notice before it does so. Under the Government's proposal WorkCover can cut off work income maintenance payments before it gives notice to the worker and his or her family that it has been cut off. The worker must then seek—

*An honourable member interjecting:*

**Mr CLARKE:** Yes, it can be reviewed. A worker can appeal the decision, but one does not get an appeal or a review hearing overnight or within 24 hours. These workers have to pay their mortgage and feed their kids. It is an absolute outrage, a denial of natural justice, where you give WorkCover, with its financial resources, the right to cut off income maintenance on the Friday before a long weekend or on the Thursday before Easter. In fact, it can put a letter of discontinuance in the mail on the Thursday before Easter, which means the worker would not receive it until the following Tuesday. The worker might be expecting his or her cheque on the Wednesday of that week so that he or she can pay the rent and feed the kids. That is an absolute disgrace. The Minister has not shown that the benefit, whatever it may be, will outweigh the social cost to the individuals concerned—again the most vulnerable members of our community.

If members opposite have any regard for natural justice, I urge them to put themselves in the same category as an injured worker. Everyone lives to the fullest extent of their income ordinarily unless they are exceptionally well off. We do not know what it is like suddenly to have income cut off without warning and to have to wait days if not weeks if it goes to appeal or months if it goes to the WCAT to have that income restored. We are dealing with people who do not have the financial resources to wait a week, a fortnight, a month or however long it takes to have their case heard. I urge the Committee to reject this legislation.

I want to cover briefly one last point. I will repeat the comments I made in my second reading speech when I dealt with an earlier question that involved mainly weekly payments. We have already passed this in new section 4C, but I want to put on the record my comments about the medical review panel. It is an absolute affront to the rule of law. It provides that a worker can pick their doctor, WorkCover can pick its doctor and if, miraculously, the two happen to agree that is the end of the matter. If they cannot agree, the matter goes to an adjudicator. If the adjudicator cannot be agreed upon by both parties, the matter goes to the chief review officer, who is paid for by WorkCover and employed by the Government for a five year term, and their appointment can be renewed by the Minister of the day at the end of that five year term—and the decision of the adjudicator is not reviewable.

That is an absolute outrage. It denies the basic rule of law for any citizen to have their case heard by a judge, a competent person in a legal jurisdiction in an open trial where legal representation is available and where the case can be settled. It is just not good enough to try to short circuit basic natural justice and the rule of law in these areas. It is not good enough that an adjudicator can be appointed by a chief review officer who is subject to future reappointment by the Minister of the day. It is not good enough that a worker cannot have their case heard before a judge in an open court. That is the basic right of every citizen in this State and in Australia, and we should not vary it. If it is not administratively convenient, so be it. Some things are too important to short circuit for administrative or cost convenience.

**The Hon. G.A. INGERSON:** There are many issues contained in the Deputy Leader's comments, and I will try to cover as many as I can remember. As far as the medical review panel is concerned, I must send the honourable member this 1985 document, because in this document in which unions and employers were involved they agreed that the concept of a medical panel ought to be part of the scheme. Suddenly, it is getting a bit lost. Perhaps we ought to ask the unions to brief the honourable member on what happened in 1985 so that we can have some decent debate, because—

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** You were there, were you? In the evening the honourable member said that he did not know much about this document. The Government suspected that he might have been involved in this. It seems to me that it is now becoming convenient to remember every now and again what was agreed to in 1985. We will send the honourable member a copy later tonight so that he can read up on it.

I refer to the argument regarding the adjudicator and the review. The situation exists where the injured worker can have their own doctor; I suspect it is likely to be their family

doctor or GP. The corporation can have its doctor to make the assessment, and both doctors make independent assessments. If there is an agreement on the disability level that is the end of the story; it does not go any further. If there is disagreement, an independent panel appointed by the review officer, or by the AMA, totally independent of those two people, will sit down and decide which one of them, in his or her opinion, is closest to the decision. If that is not reviewing the situation I would like to know what it is.

In the 1985 document these medical panels were there to look at medical issues only. That is all this adjudicator will do: look at medical argument in terms of disability and assessment of that. I should have thought that was a pretty fair sort of system. From the Government's view it is encouraging the two doctors, who will have the first view, to get together to try to resolve the situation. If it cannot be resolved there is an independent person who says whom he or she believes is right. The Government believes that is a fair system and obviously the Opposition does not.

As far as discontinuance is concerned, it is the Government's experience—and without any doubt the latest experience in Victoria—that the 21 days ends up as 21 days holiday. In almost every single case the 21 days ends up with 21 days extra payment under the scheme. The position the Government has put is very harsh. I am quite surprised that the Opposition has not proposed an amendment because the Government might have considered it. However, since we do not have one we will have to consider it in another place. It is a harsh and hard way to do it, but it is being done because we have an extra 21 days (three weeks) added on to these claims. Since, at the end of 21 days, there is a discontinuance it is the Government's view that it ought to be cut off at a time less than that, and the Government has said 'zero'. We will stick to that since there is no other view.

The third point related to stress. I remind the Committee that it was the Labor Party which made specific rules for stress: it was not the Liberal Party. We supported the then Government but the then Government was the group that moved to bring special controls over stress because it believed it was being abused. There is absolutely no question about that. The Liberal Party did not move the amendment: the previous Government did so. The previous Government introduced the concept because it was its view that a whole range of people were abusing the system. As I said earlier, sometimes I agree with Keating and sometimes I agree with the previous Government. In this instance I happen to think the previous Government got it right. As I pointed out to the honourable member earlier, 95 per cent of the cases are off the scheme at 26 weeks. If 95 per cent are off the scheme at 26 weeks and the previous Government believed that some extra controls should be put on stress, I do not think that there is much difference between the two sides. Everybody recognises that it is that 5 per cent extra overlap which is causing the tail and which is causing the problem.

The member for Giles knows full well that these review systems need to be put in regularly in areas of concern. If we do not do that, we have problems with the scheme. I remind the Deputy Leader that it was the previous Government, and not the Liberal Party, that made special rules for stress. We have noted an interesting report that has just come out in Victoria relating specifically to return to work after stress injuries.

An interesting fact has become clear in Victoria, where a surprising number of people return to work the day before the end of the 26 weeks when there is a significant cut in benefits. They are suddenly capable of going back to work. There is a surprising amount of sudden rejuvenation from stress at the end of 26 weeks, when people go from full benefits down to a pension level. It is surprising that suddenly the stress clears up.

**Mr Clarke:** It doesn't surprise me.

**The Hon. G.A. INGERSON:** Why not?

**Mr Clarke:** Otherwise they will starve and it is something they have to do.

**The Hon. G.A. INGERSON:** Surely a return to work is what the scheme is all about. It is not meant to be a compensation scheme for life—it is meant to be a compensation scheme until people can return to work. That is the fundamental difference between the Deputy Leader's way of thinking in having the gravy train exercise versus a scheme that caters adequately for people who are injured and who cannot go back to work. There is a significant difference between the two.

There are many examples of abuse of the scheme, especially in this area, and there is an outstanding case that seems to be talked about by everyone in WorkCover. I refer to the case where a pimple developed into an abscess because of stress, the abscess having to be removed and that person now accepted as being permanently incapacitated, or at least partially so, and that case costing the scheme $260 000 thus far, with the person involved still being on the scheme. This partial deemed total, which is the issue to which we keep coming back, is the fundamental problem with the scheme. As long as we have a partial injury that is deemed total, after a reasonable period there will be a long tail because people never want to get off the scheme. It is the gravy train exercise.

If people could always get 80 per cent of their pre-injury income for life, there is no incentive with some low level disability accidents to go back to work. We have to do something about that. As I have said many times, the architect of the exercise knows that is true and I know that the Deputy Leader has been told that by the architect on many occasions.

**Mr CLARKE:** The Minister seems to know much about what I have been told by various people. I only wish I knew what he was talking about. In reply to the Minister's comments, he still has not addressed the point. The Minister concedes that there are people with stress claims that are genuine where it is necessary for them to be covered by compensation, yet he limits their payment for 26 weeks as against people with physical injuries who receive payment for 52 weeks.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** They get the equivalent of the Social Security pension after 26 weeks, yet people suffering a physical injury do not fall to the Social Security rate until 52 weeks. The Minister has not addressed the point I raised. Irrespective of the amount of time or money involved, there is the fundamental principle of treating people with a mental injury differently from those with a physical injury.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** No. It provides income maintenance payments for 26 weeks in the case of a mental injury but if it is for physical injury people are covered for 12 months. I will make another point in rebutting the Minister's point about what is happening in Victoria and the so-called dramatic return to work rates. I have not seen those figures; however, it is very easy to contemplate that people do go back to work if there is absolutely no other choice, whether or not they are fit to return to work. As happened before we

had a workers' compensation system in Australia, the United Kingdom or anywhere else in the developed world, in an undeveloped nation where there are no compensation laws, people starve if they are not able to go to work and there is not a comprehensive social security net for them.

People drag themselves back to work as they did prior to workers' compensation laws being passed in Australia over a century ago because, if they did not, they could not feed themselves or their families. So, whether or not they are fit to return to work, they go back to work and try to make the best of it, no matter how badly they may be injured, because to do otherwise means they cannot feed their families. That is what drives people back. I cannot countenance our engaging in that type of exercise. We have come too far in the past hundred years or so to go back to that type of brutal carrot and stick approach of saying, 'If you do not go back to work, effectively you starve, because you have to live on social security rates.'

It is not the Minister's fault that I did not raise this point earlier, but I am assuming from his interjections yesterday that, in the regulations he is talking about for setting a pension rate beyond the 12 months (or the 26 weeks for stress victims), the Government will set it at the social security rate. If that is the case, I would like it confirmed and I would also like to know whether it would be based on the social security rate, taking into account families, dependants and all the other various add-ons.

**The Hon. G.A. INGERSON:** I will answer a couple of questions. First, however, I cite the model scheme that was put forward by the IAC, as follows:

> Employers be held liable to pay the cost of compensating employees suffering work related injury or illness (with their liability being discharged upon a 'reasonable' offer of employment being made to formerly injured/ill employees upon completion of any necessary rehabilitation program or if employees 'unreasonably' refuse to undertake rehabilitation).

This is the IAC—the Federal industry commission—inquiry saying that this is the sort of model we ought to have. It is interesting to see what it is saying should be the benefit levels. The IAC further recommends:

> Employees receive periodic compensation for lost earnings while they are off work: initially at 95 per cent—

not 100 per cent, but 95 per cent—

> of pre-injury earnings for the first 26 weeks (indexed).

Why did it pick 95 per cent? It was its view that, unless people had an incentive to return to work, in other words, unless they were getting less than their previous earnings, we would not maximise return to work. That was one of the issues that the IAC put very strongly, right at the very start—that it should be 95 per cent for first 26 weeks. Then it should drop down to 75 per cent and held at that for 18 months and then 60 per cent for the next three years, then the social security rate. That is the model into which all the States put information, the model that in the end the IAC believed was the best possible model. It is a recognition that we cannot have pensions for life: we cannot keep them at 80 per cent for life. This is an independent inquiry taking that point of view. I now refer to the base pension entitlements. We will introduce a regulation as soon as the Bill passes setting up base pension entitlements established on the New South Wales concepts, namely, a non-dependent spouse with no children through to six children and a dependent spouse with from one through to six children. In each instance of no dependants, the minimum level with no children is $208.40 per week, and that is 28 per cent higher than the Commonwealth DSS allowance.

In New South Wales there has been a calculation of all the benefits in a notional sense and that was added to the base figure. There is a notional calculation of all the medical values and all things available under DSS. It goes through to $351.80 for a non-dependent spouse with six children. If you average all of that from one through to six, it is 30 per cent higher than the DSS allowance on average. For a dependent spouse with no children, it is a base level of $256 through to $399.40 for six children which, again, is an average of 48.47 per cent above the DSS. That is the base level. It recognises the difference between dependent and non-dependent spouse and the difference regarding the number of children in a family. Whilst the drop is down to a pension level, the drop from the 80 per cent level is not as significant as being played up by many who want to make it sound as if it were social security.

The other point that needs to be made is that this cost is picked up by the employer and there is no transference to social security federally. Sometimes I think I ought to take up this document from 1985, because it was the recommendation of the unions and the employers that we ought to go to social Security as the Commonwealth ought to be paying. It is an amazing back-flip today that we have the union movement and the Labor Party saying that we should not involve the DSS, but in 1985 when it was constructed it was recommended that we ought to have DSS as the base and the Commonwealth would then have some share in the whole process.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** It does not matter whether the Commonwealth says 'No'; if you set the benefit low enough, the Commonwealth will have to pick it up because people will move on to social security. There is no attempt in this instance to do that. If you go right down to the DSS level, you will automatically force people onto social security because of the extra benefits. We have picked up the New South Wales group. We believe on advice that all the benefits have been put into a notional allowance and, if they have not, they are marginally out and there is no attempt at any deceit at all. It has been done in good faith in terms of looking at the notional side. If the Bill passes in its present form, that will be the basis of the pension and it will be put into regulation the day the legislation is assented to.

The regulations have been drawn up and, if the honourable member would like a copy, we would be happy to make it available, recognising that it is a draft regulation and will not be implemented until, if and when, the Bill passes the other place in this form. I have been advised that the typing of this document is back to front and before supplying a copy we will have it retyped to ensure that the example we give is correct. The 'No' is on the wrong piece of paper. The principle is exactly the same as I have pointed out, but there is a typing error on the form.

**Ms HURLEY:** A number of constituents have asked me about spouse income. They are concerned that where the spouse works full time and earns a fair amount of money they can keep the family going, but where the spouse works part time and does not earn much they would be unfairly disadvantaged. Will the Minister confirm that the figures that he talked about are not affected by the income or assets of the rest of the family, including the spouse?

**The Hon. G.A. INGERSON:** The answer is that they are not affected.

**Mr LEWIS:** In a slightly different vein but relevant to this clause, given that we are talking about benefits and the way in which they will be altered and as it will be only a matter of weeks before we know whether prostitution in this State is lawful, how will this law and WorkCover relate to that possibility? Whether it is male or female prostitution or homo or heterosexual acts, whether it is anything like anal or vaginal intercourse, cunnilingus or fellatio, a number of diseases and conditions are likely to arise in epidemic proportions amongst those who are working in the industry, and they will be working legitimately. I think it would also include stress because some workers in the industry, once legalised, may be shocked by the demands made upon them by their clients in return for the fee that they have paid. To what extent does the Minister expect this will increase the cost of WorkCover in South Australia, if there has been any research into it, and what would he expect to be the kind of benefits and premiums for workers in the sex industry? My serious concern is based on personal knowledge, though not experience, of the kinds of problems that have arisen in other cities around the world where the measure of libertine permissive attitudes that we presently contemplate have been in place for some time.

**The Hon. G.A. INGERSON:** This could be a very experienced or non-experienced answer. I am advised that, as there is no worker-employer relationship until it is legalised, it is obviously not covered under the legislation. If by some chance the private member's Bill that is before the House should pass—and I suspect that the debate could take a couple of months—a lot of quick thinking will have to be done in terms of how a particular case should be covered. In theory, if there is an employer-employee relationship, there is no reason why the worker, if injured at work, should not be covered under the scheme. As there is a fair amount of theory involved, I think I should get a considered answer and give it to the Committee in the other place.

The Committee divided on the clause:

AYES (28)

| | |
|---|---|
| Andrew, K. A. | Armitage, M. H. |
| Ashenden, E. S. | Baker, S. J. |
| Bass, R. P. | Becker, H. |
| Brindal, M. K. | Brokenshire, R. L. |
| Buckby, M. R. | Caudell, C. J. |
| Cummins, J. G. | Greig, J. M. |
| Gunn, G. M. | Hall, J. L. |
| Ingerson, G. A. (teller) | Kerin, R. G. |
| Kotz, D. C. | Leggett, S. R. |
| Lewis, I. P. | Matthew, W. A. |
| Meier, E. J. | Oswald, J. K. G. |
| Penfold, E. M. | Rosenberg, L. F. |
| Scalzi, G. | Such, R. B. |
| Wade, D. E. | Wotton, D. C. |

NOES (8)

| | |
|---|---|
| Atkinson, M. J. | Blevins, F. T. |
| Clarke, R. D. (teller) | De Laine, M. R. |
| Foley, K. O. | Geraghty, R. K. |
| Hurley, A. K. | White, P. L. |

PAIRS

| | |
|---|---|
| Baker, D. S. | Quirke, J. A. |

Majority of 20 for the Ayes.

Clause thus passed.

Clause 10—'Suspension of weekly payments.'

**Mr BECKER:** Can the Minister say how many people receiving weekly payments are residing interstate and overseas? A constituent has informed me that he was quite perturbed when one of the officers looking after his case advised him that, at that stage, about 12 people who were living overseas were receiving weekly workers' compensation payments. That review officer was then transferred. My constituent made the allegation that one person living in Tasmania was receiving weekly payments and arranging for somebody else to collect those payments.

**The Hon. G.A. INGERSON:** I am advised that the figure is about 100. We are not sure of the national versus overseas breakdown, but we will get the exact figure for the honourable member.

**Mr BECKER:** If that is so, how can these people present certificates? How can the WorkCover organisation continuously check up on their medical condition and determine whether these people are making any effort to rehabilitate themselves back into the work force? It makes one wonder about the types of disabilities that allow people to travel. I am not saying we should deny them that, but I always thought that WorkCover was there to assist the unfortunate. At the same time, the original perception of the Workers Rehabilitation and Compensation Act was to try to rehabilitate people back into the work force without discrimination.

Anybody who has had to deal with some of these problems knows jolly well that, once a person makes a WorkCover claim and admits to that on an employment form or during an interview, that is the end of his or her chance of getting a job. But, more importantly, it concerns me to learn that about 100 people are either interstate or overseas.

**The Hon. G.A. INGERSON:** 'With difficulty', is the answer. The Act currently allows workers to go overseas or interstate under normal travelling arrangements, and it is very difficult for us to follow that up. This clause gives WorkCover more power to suspend the worker's income. In certain difficult areas workers could be suspended and some of them might return from holidays sooner than they expected. It is a difficult area, but the Act allows it to occur. We just have to work within the Act.

**Mr CLARKE:** I have already covered most of my objections to this legislation in my earlier contribution.

Clause passed.

Clause 11 passed.

Clause 12—'Loss of earning capacity.'

**Mr CLARKE:** I have already covered our opposition to the notions contained in this clause, and I formally recorded our opposition to it.

**The Hon. G.A. INGERSON:** This is exactly the same clause as that which is in the Bill introduced by the Labor Party.

Clause passed.

Clause 13—'Application of this division.'

**Mr CLARKE:** Again, this matter involves stress, and I have already canvassed our opposition to the Government's position on this matter, in particular its discriminatory effects on workers suffering from a mental as compared to physical injury. I restate our opposition.

Clause passed.

Clause 14—'Lump sum compensation.'

**Mr BECKER:** Are some long-term injured persons paid an annual rather than a weekly amount? Is that sum 12 months in advance and, if so, why?

**The Hon. G.A. INGERSON:** Clause 12, which we have passed, in essence deals with that. It is in the current Act. It is an agreement that came out of a select committee some three or four years ago, that there ought to be the ability for

the employer/employee to capitalise their payments on a yearly basis and not take a lump sum. So, it gave virtually three options: have it weekly, have it capitalised on a yearly basis in which the corporation pays tax and the worker gets a 12 month payment, or have the lump sum and get off the scheme. That was the recommendation of the select committee, and the previous Government picked it up. It is in the Act because the previous Government picked it up, and it will stay there.

**Mr CLARKE:** I have previously dealt with amended proposed new section 43(4), which involves the 10 per cent limit before you receive anything or are able to claim lump sum compensation, and it is wrong. It is wrong in principle because it assumes that a worker with a less than 10 per cent ability is 100 per cent capable of performing work, whereas that may not necessarily be the case, and it is fully arbitrary. As I said earlier, a person with an 11 per cent disability and a 100 per cent capacity to perform work could get lump sum compensation under proposed new section 43. However, workers with a 9 per cent disability—and it may be the most crucial part of their body, for example, the back—with a negligible capacity to work in their trade or in their field or vocation, are eligible for nothing because they do not meet this 10 per cent threshold.

An example of how severe an injury must be to reach this 10 per cent threshold can be seen in the assessment of an injury to the cervical spine: a worker is required to have a loss of half the normal range of movement of the neck before a 10 per cent disability is reached. The result of the implementation of this threshold is that many workers will suffer permanent disabilities and receive no compensation whatsoever under proposed new section 43.

The conceptual basis for a 10 per cent threshold is unclear except on a cost saving measure, and on the basis that only the most seriously injured worker should receive payment for non-economic loss. Why that should be so when workers have already sacrificed their right to common law damages is not apparent. That is a very important point, because nowhere in this Bill does the Government give back to injured workers the right to sue at common law—none whatsoever. As the Minister knows from my second reading contribution yesterday, workers in this State in 1986 came to a compact with Government, employers and trade unions which brought about an income maintenance scheme, and they had to surrender their rights at common law, and that has not taken place. The bargain has been torn up by this Government.

If any other person walked into David Jones and slipped over on a floor because somebody left a mop there or the company was in some way negligent which resulted in your injury, you could sue them at common law for their negligence. It happens all the time. It is a traditional right that has been handed down through the British common law system over centuries. Workers gave that up in return for a deal, but they are not getting it.

**The Hon. G.A. Ingerson:** They are getting better.

**Mr CLARKE:** They are not getting better. You perpetuate this myth.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** I am glad the Minister has referred to those examples that he gave us this afternoon. No doubt they are already down at the *Advertiser* with respect to their press release.

**The Hon. G.A. Ingerson:** Yesterday's!

**Mr CLARKE:** That was yesterday's, was it? I am bound to get a serve tomorrow morning from the *Advertiser* with respect to this. You will note that, whilst the Minister is very good at waving an *in globo* sheaf of papers around, trying to traduce workers, the fact is that when I asked him earlier today—

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** No, I just simply asked about the person who allegedly sprained their toe and got $160 000, and I wanted a breakdown of how much they actually got in their pocket in income maintenance and how much was for medical expenses, like the Santa Claus referred to by the Minister in his press release yesterday where the $4 300 was overwhelmingly medical costs as it is now revealed, when basically the Minister was trying to say in his press release that it was all a giant rort.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** About having a review? I have not spoken to the man personally, but I understand that if he—

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** Yes, he has certainly been in contact with our office. I am not at all embarrassed by the fact that he has a review application in. If he is exercising his rights under the law, so be it. These things are tested where the credit of witnesses has to be tested through cross-examination and the like.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** Yes, and you have admitted they are all perfectly compensable. There are no allegations of fraud or rorting.

**The Hon. G.A. Ingerson:** Legal abuse?

**Mr CLARKE:** You have that wonderful turn of phrase in trying to abuse everyone who does not happen to agree with you. In so far as this 10 per cent threshold is concerned, it is just manifestly unjust. The example I gave is quite clear about damage to a cervical spine. That person is in incredible pain. They will not be able to go about their normal business either in a social sense or in a business work environment, and they do not get a brass razoo under the new section 43.

That is an absolute outrage when, if that person had been not an employee but just a shopper at David Jones and had slipped over, he would have been able to sue at common law for the same injury and would have been recognised for it. We are totally opposed to this level: it will cause a great deal of hardship to a whole range of people. On this point I ask this question: in an *Advertiser* article this morning the Minister was quoted as saying that the law deemed that a 10 per cent disability was equal to a 100 per cent disability. I wonder if that is actually what he means, because there is a difference between 'disability' and 'incapacity', and I wonder whether the Minister actually understands the difference within the meaning of the existing Act.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** If he stands by that statement, which he says he does, then he is entirely wrong with respect to the present law. If he is wrong on that, how in hell can he administer this Act?

**The Hon. G.A. INGERSON:** I never cease to be fascinated by the logic that comes from members on the other side to try to explain their past directions. The architect here last night again said that the prime reason for moving away from the common law system was that it was a lottery and he wanted to get some certainty into the exercise. That is one of the reasons why common law was given up: it was a lottery. Nobody knew what the end point would be. And it was the

Labor Party that made that decision. The honourable member opposite would know that until about two years ago the Liberal Party wanted to put common law back in but the Labor Party would not do it. So, there is a fair amount of hypocrisy here tonight from the other side.

This scheme was set up as a pension scheme with a couple of rules, and the fundamental, first rule was that we would have a second year review so that, once you had made the decision to deem a 10 per cent incapacity to total incapacity over that first two years, you would have a review process brought in; because, as the architect said, it is unrealistic to leave people on 100 per cent of the pension, whatever percentage that is of AWE, after that period of time. He made the point in the House in 1986, 'If the system breaks down we will change it, because it is a fundamental part of the scheme.' And here we are in 1995 trying to make the same change. That is one of the fundamental parts of this whole scheme.

If the original scheme had continued, this sex impairment nonsense that we talked about earlier today would not have got off the ground; would not have been part of the original scheme. The Deputy Leader says that the scheme has been changed. Yes, it has: it has become the most significant benefit payer in the southern hemisphere. That is what this scheme is: the biggest single legal abuse system of workers' compensation in the southern hemisphere in terms of benefits, and it has to change. We have no compunction at all in saying that, if many of the rules of the original scheme had been adhered to, we would not have to make the massive surgery which we have to make at the moment and which, if it is not made at this time, will need to be made in a very short time. We will not go back to the lottery of a common law system: we are going to accept what the Industry Council said, that the best way to have a compensation scheme is to have some sort of pension scheme with an easy access scheme for those who want to take lump sums and get off.

The Deputy Leader should not be arguing in this Chamber about this whole system; he should sit down with Bill Kelty, because it was the ACTU that recommended that Comcare remove this 10 per cent disability and below; and it was the ACTU that argued that this had to happen to put some sense into the scheme. I now realise why the ACTU always distanced itself from the UTLC and unions, and South Australians generally. I used to wonder why that was the case, but after tonight I clearly understand why, when the Deputy Leader, who was a very senior official of the union movement, cannot agree with a very clever man such as Bill Kelty, who runs the ACTU.

The Committee divided on the clause:

AYES (27)

| | |
|---|---|
| Andrew, K.A. | Armitage, M. H. |
| Ashenden, E. S. | Baker, S. J. |
| Bass, R. P. | Becker, H. |
| Brindal, M. K. | Brokenshire, R. L. |
| Buckby, M. R. | Caudell, C. J. |
| Condous, S. G. | Cummins, J. G. |
| Greig, J. M. | Gunn, G. M. |
| Hall, J. L. | Ingerson, G. A. (teller) |
| Kerin, R. G. | Kotz, D. C. |
| Leggett, S. R. | Lewis, I. P. |
| Matthew, W. A. | Meier, E. J. |
| Oswald, J. K. G. | Rosenberg, L. F. |
| Scalzi, G. | Wade, D. E. |
| Wotton, D. C. | |

NOES (9)

| | |
|---|---|
| Atkinson, M. J. | Blevins, F. T. |
| Clarke, R. D.(teller) | De Laine, M. R. |
| Foley, K. O. | Geraghty, R. K. |
| Hurley, A. K. | Stevens, L. |
| White, P. L. | |

PAIRS

| | |
|---|---|
| Baker, D. S. | Quirke, J. A. |

Majority of 18 for the Ayes.

Clause thus passed.

Clause 15 passed.

Clause 16—'Determination of claim.'

**Mr CLARKE:** I refer to new subsection (d), which provides:

> The original determination was made as a result of error; or.

Due to the retrospective nature of this legislation decisions that have already been made by the review process, including the appeal process, will be made redeterminable. That is a fundamental flaw in this legislation because matters which have already been dealt with and settled under existing law will, because of the retrospective nature of this legislation, once again, become redeterminable by the corporation. That is our most fundamental objection to it. In any event, we also have an objection to the notion of this amendment, but the most obnoxious feature is its retrospective impact. People may have had their claims determined in accordance with the law as it now stands, but clause 24 of this Bill has a retrospective aspect and matters that have been settled will be redeterminable.

**The Hon. G.A. INGERSON:** I think the Deputy Leader has misread the clause, because basically it provides that notification will occur before the determination of a claim. It has been put in because there are many occasions when an employer will dispute a claim. When a claim goes into the system it does not matter whether the employer disputes it because it is automatically in the scheme.

It has been included to minimise that particular difficulty. The other part of the clause has been included to cover the administrative error problem that we put forward in the last session. There have been several examples of that, but an outstanding one that I can remember is as follows. An employer said that an employee had been paid $625 a week. In fact, the figures were back to front, and I think it should have been $526. However, because the claim had been accepted that error could not be corrected, even though the employee agreed that there had been an error. The matter was reviewed by a review officer, who said that, irrespective of the fact that the employee accepted the error, they were not prepared to change it, and the employer had to pay the amount that had been written in by way of an administrative error. It is our view that if those sorts of things occur they ought to be able to be reviewed and corrected. That is the principal reason for the second amendment relating to the administrative correction of an error, and that is all.

**Mr CLARKE:** I will explain my concerns further. The amending Bill deletes subsection (7a)(c) and replaces it with a provision which allows redeterminations in certain situations—and I have already quoted the amendment. Furthermore, pursuant to clause 24(2)(c) of the amending Bill, the provision operates both retrospectively and prospectively. That therefore potentially enables redeterminations pursuant to the subsection of any and all determinations made since the coming into existence of WorkCover. Proposed new subsection (7a)(c) is not well drafted and potentially oppressive. It

is not stated whose opinion is relevant to deciding that the original determination was made in error, nor is the decision that the original determination was made in error expressly made reviewable.

Proposed new section 82, which provides what decisions are reviewable, is somewhat vague. I query proposed new subsection (l)(a), relating to a decision on a claim for compensation being reviewable. Presumably, it is the actual redetermination itself which can be reviewed and not the decision to make a redetermination. Given the enormous scope of this proposed new subsection, there is effectively little work for paragraphs (a), (b) and (d). In effect, the worker has no security, but once a claim has been accepted WorkCover will not attempt to dispute the matter later. There is, in effect, no end to potential litigation.

**The Hon. G.A. INGERSON:** I am advised that, because of the statements contained in new section 4B before determining the claim, retrospectivity does not in fact apply. That is the advice I have been given. If there is any further comment on that, we are prepared to look at it in another place. However, that is the strong advice we have been given and that is the way we see it at the moment.

Clause passed.

Clause 17—'Substitution of s.58B.'

**Mr CLARKE:** The Opposition is strongly opposed to everything in this Bill, but I suppose I can redouble my efforts with respect to this amendment and in particular new subsection (3)(d). At present, the legislation puts the onus on the employer to maintain employment for their injured worker and to try to find them alternative employment within the company. New paragraph (d) provides '[after] more than 12 months have elapsed since the worker became incapacitated for work' the employer is no longer obliged to provide employment for that injured worker.

Again, the 1986 package that was entered into between the social partners and the Government encouraged a concerted attempt being made to maintain injured workers' employment, for them to be rehabilitated, for the employer to have an ongoing sense of responsibility and duty to their injured workers, and for them to be actively working to find them alternative duties within their establishment. We already know—and I have already spoken on this—about the extreme difficulty injured workers have in any event in finding employment outside their original place of employment where they were injured. It does not happen as often it should or as I am sure all members would like. The fact is that it does not take place.

One of the few hopes the injured worker has is that their original employer where the injury took place will show sufficient interest in their rehabilitation and welfare that they will want to rehabilitate that worker to get them back into to the workplace. What this says to the employer is, 'Look, after 12 months I owe you nothing. I owe you no moral responsibility, even if I am 100 per cent negligent and my 100 per cent negligence contributed to your injury that might have ruined your life and that of your family for ever. You cannot sue me at common law because you gave that away in 1986 and, unless you are half dead or more to get over the 41 per cent threshold under the Comcare guidelines, you cannot take the benefit of even the Government's improved (or what the Government says is improved) 85 per cent pension scheme.' I have not done the exact figures on that given that the AWE figures will be different under this legislation from what they currently are.

It is very easy in the mind set of an employer simply to say, 'My obligations exist only for 12 months; after that I can dump them at any time.' That is exactly what the effect will be. Where the Government is trying to urge a greater return to work rate, it is merely saying to employers, 'Twelve months and the employer no longer has any obligations to you.' Minister, when you do not even give that person back the right to sue at common law, even if I ask—

**The Hon. G.A. Ingerson:** The Labor Party took it away.

**Mr CLARKE:** Yes. We did so on the basis of a contract which has been eroded constantly over time under both Liberal and Labor Governments. One of the arguments that Matt Foley, who is Queensland's Minister for Industrial Relations, puts to me when I discuss this matter with him, and why he still insists on workers' access to unlimited common law under their legislation, concerns the removal of common law rights from workers. He fears that once you take common law rights off workers and bring in a scheme as we did in 1986, all the political pressures come to bear on Governments of the day by employers because other States play this auctioning system of using workers' compensation as a loss leader to attract or retain industry. The workers never get their common law rights back again and increasingly have their benefits cut in order to reduce workers' compensation costs rather than there being increased vigilance on the part of employers or increased enforcement on employers' workplaces to ensure that proper health and welfare standards are maintained.

That is the one advantage about common law: it forcibly brings to the attention of errant employers where they are negligent in their duty of care to their employees. When it hits them in the hip pocket nerve, it brings it forcefully to their attention that they have to clean up their act. There is no incentive on an employer with respect to this legislation both as a totality and regarding this clause to have any future regard about their employees. After 12 months they will virtually not exist.

I can give a practical example, because the Minister and I sat at a table at a function last year with a prominent South Australian businessman who leaned across the table and asked the Minister, 'When are you going to give us cheap workers' compensation premiums in South Australia as they have in New South Wales, where it is only 1.8 per cent and where, after six months, I won't have to worry about workers because they go onto social security and the Commonwealth picks up the tab?'

That said a lot to me: it highlights that for many employers, once the arbitrary date is reached—whether it is 6 or 12 months—they can kiss the injured worker goodbye, because they have no responsibility or care beyond that time frame. That dinner was certainly instructive for me when I heard that comment from a major employer in this State. I realised his thoughts were only for the first six months and thereafter he did not give a hoot about his employees.

**The Hon. G.A. INGERSON:** I never cease to be amazed, because it is not often that I agree with Keating and his mate Gary Johns, but now we have another bit of sense coming from Canberra in its response, and I quote it as follows:

> The employer should be required to make a reasonable offer of a specific job if that employer wishes to discharge his/her responsibility for the workers' compensation costs associated with the injured employee. Preferably, the job should be available for at least 12 months.

Here we have the Federal Minister responsible for workers' compensation responding to the Industry Commission and

recognising—just three months ago—that we cannot have guaranteed employment for life. The Deputy Leader is saying that, if an 18 year old gets injured on his first day at work, the employer has to hold the position until he is 64 years, 11 months and 29 days. That is what the Deputy Leader is saying.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** That is exactly what you are saying. The Deputy Leader should visit the Submarine Corporation, meet with executives and see what they are doing with the 38 employees doing menial work under this provision and see the 38 jobs in which they cannot employ people. I believe that this is ideology gone mad. We have a section under the existing Act where an employer has to keep open a job for life. There is no question about responsibility because, if this clause is passed, the employer after 12 months is still responsible for the payment of the insurance and there is no drop in responsibility in terms of how that person is paid, as that employer has to continue to pay. Because of an accident there will be a penalty and he will be paying for it as part of our scheme. There is no question about removing that. As to what Gary Johns says, we have to put a little commonsense back into this place.

As the ACTU says, you have to put some commonsense back into the employment conditions in this country. You do not have ideological claptrap continuing to dominate this State. This is the sort of ideology that the people in South Australia threw out. What the Deputy Leader is asking this Committee to consider is jobs for life: you are injured at work, on the pension at 80 per cent for life, and you are guaranteed that, if by some whimsical thought in your mind, two years and 11 months down the track you would like to go back to that job, the employer has to have that job open. You talk to any other group of people in any other country around the world and you will find that they think we are in fairyland. They honestly believe that we came down in yesterday's shower. It is no wonder we got left behind with Labor in power when this sort of nonsense went on. The responsibility to pay, which should be the prime responsibility of the employer, continues. The person's benefits do not cease, the rehabilitation does not cease and the whole exercise continues.

We are cutting the exercise exactly the same in general principle as was recommended by the IAC, recommended and supported by the Federal Government. Keating just happens to be right in this instance. It is a disgraceful thing for me to have to say, but the ACTU, Kelty and Gary Johns happen to be right. It is funny that all these very senior, very progressive, right wing Labor people should all happen to be right—and in most instances they are in power in this country—and all the ideological left is in opposition. You have to ask yourself why, because when you keep going into cuckoo land, as this exercise is, it is no wonder our State goes backwards. We have to make these sorts of changes; we have to ensure that the employer continues to pay the insurance, and this enables that to occur. We have to make sure that the injured worker is still getting the prescribed benefits of the day, but after 12 months to keep that job open for life is just a lunatic exercise. This is one of the most important and fundamental changes to our scheme. It puts back into the scheme some control for the employer. The employer is not dominated for life by not being able to employ someone else.

The argument that the Deputy Leader puts is that the injured worker is disadvantaged. What about the young kid—the 18 year old—who cannot get a job because the employer has to hold open for life a job for an injured worker who will never be re-employed at that place? Does that not matter? Is it really true that the union movement is interested only in the employee it currently has in the job and not any other employee who is not involved in the system? The Opposition's support suggests that that is the case. I think it is about time the union movement and the people who support it recognised that there are future employees in this community who ought to have the same set of rights and the same sorts of opportunities as those who happen to be at work. There should be a freer market exercise but, if we provide a constraint like this where a job position is guaranteed for life even though a person may never come back, it is a lunatic exercise.

That is why Gary Johns has come out on behalf of the Federal Government and said that it should be no more than 12 months. This is why Bill Kelty and Keating support it. Yet, here in little old South Australia the 11 members of the ALP, who got a pasting at the last election, still want to leave us in cloud-cuckoo-land. This is the most fundamentally important change of concept in the scheme. It does not remove responsibility for employers and does not remove the benefits of the injured worker, but puts common sense back into the scheme.

**Mr CLARKE:** What a load of claptrap. The fact is that, if an employer wants to terminate an injured worker's employment, they can do so. They have to give notice to WorkCover and at times those dismissals are challenged. It allows WorkCover officials to go down and talk to the employer. There is no job for life under the existing legislation. That is an absolute nonsense. You know it and, if you do not, you understand very little. The fact is that they were terminated and they went before the Federal Industrial Relations Commission and from there I am not sure. I gather that the commission ordered their reinstatement.

The whole purpose behind the existing legislation is that employers cannot capriciously use the excuse that you are injured and you are out the door. The whole scheme was designed around rehabilitation of workers and getting them back into the job. The best way of doing that, as the Minister should know, is for their original employer to continue, bring them back into the workplace, assist them and rehabilitate them because, as the Minister knows only too well, once they have left their employment relationship and are more than 12 months injured on the WorkCover scheme, the likelihood of returning to a new employer is extremely limited. All of the schemes that have been brought in by WorkCover and other schemes to assist long-term injured workers obtain employment last only for so long as the subsidies are paid. As soon as the subsidies are withdrawn, they lose their job.

That was the whole emphasis behind the legislation we brought in where it said that, before an employer can terminate employment, they have to give 28 days' notice to the WorkCover Corporation, so that WorkCover officials can go down and talk to the employer and say, 'Look, what about this, that and the other and, if you are capricious about it, it will cost you a lot of money with the penalty scheme. It will increase your premium.' And so it should because again the Minister fails to recognise that there is nothing in this Bill that seeks to reduce the incidence of injuries in the workplace or get workers back into the job. It is all the old 'bash him in the head' approach.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** Yes, it is all about return to work by saying, 'We will starve you back into work by reducing your

level of benefits and forcing you to go back to work and we do not give a stuff if the employer is 100 per cent negligent and caused your injury in the first place.' There is not one penalty or additional onus on employers, under this legislation, to improve their act. It simply reduces workers' compensation premiums for those employers at the expense of long-term injured workers. That is absolutely immoral and unjust. It has nothing to do with the 18-year-old person who is fit and well and cannot get a job. They can still get a job and replace that person.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** Yes, they can. That is absolute nonsense. You know it and, if you do not, you are in cloud cuckoo land.

**The Hon. G.A. INGERSON:** One of the reasons this system was changed by the previous Government was to get a no-fault system. We now have the Deputy Leader talking about having a fault system. I will quote again from this very good document from 1985, as it will help the Deputy Leader to remember, since he was involved in this. I think I should quote the whole lot because it is quite important. In relation to the common law, it states:

> The introduction of a pension-based system ensuring as it does a level of income maintenance coupled with the inclusion of a pain and suffering component within the lump sum payable for loss of bodily function and the strengthening and revision of the occupational health and safety legislation removes the need for recourse to common law action in respect of work-related injuries.

We now come to a very interesting part. We have heard the Deputy Leader talking about combining schemes, but these are the words that I understand he wrote and they are very important:

> The cost of a scheme carrying both aspects would be prohibitive and as the benefit distribution under a pension-based scheme is more equitable than that under common law it was agreed that this type of scheme should be preferred and the common law recourse for work-related injuries should be abolished.

The fundamental reason for change was to get rid of the lottery. Now the Deputy Leader is talking about going back to a hotchpotch sort of scheme.

As the Deputy Leader knows, the scheme that we have today is not the same as the scheme that was set out in 1986. Whilst the scheme was criticised by us in 1986 for the way it was set up, the corporation, the benefit levels and so on, we never said that it was a Rolls-Royce scheme. However, over the past three or four years it has become not a Rolls-Royce scheme—I do not know what comes after that—but the most generous scheme in the southern hemisphere. It has got to such a stage that South Australia is a joke as regards compensation in the southern hemisphere. It is ridiculous when payments for sex impairment can be higher than payments for actual disability under lump sum arrangements. Such changes are ridiculous. We have to get back to a reasonable scheme with fair benefits which employers can afford to pay.

**Mr CLARKE:** The Minister is quite deliberately provoking me on this matter. He keeps raising the issue of sex impairment. He seems to have an obsession with sex. I can only conclude that if he lost his own sexual prowess as a result of a workplace injury he would want to rate it far higher than he seems to want to grant other workers.

**The Hon. M.H. Armitage:** That is not even funny.

**Mr CLARKE:** The member for Adelaide says that it is not even funny. The Minister is slandering workers when he waves this sheet around with respect to people claiming over and above disability for sexual impairment. I think it is scandalous that he should wave a sheet of paper around trying to get a cheap headline out of the *Advertiser*, which he is guaranteed of getting tomorrow, with a cartoon by Atchison, but that still does not answer the question with respect to the employer's responsibility for people after 12 months and whether the union movement agreed to a no fault scheme in 1985. Basically that is what they did on the basis of income maintenance at levels that we now currently enjoy. It is outrageous that the Minister should come here and blatantly mislead the Committee about the developments that led to the making of this scheme in 1986. In terms of the no fault concept, we accepted a no fault scheme and abolished common law in return for a package, and the Minister is ratting on it.

Progress reported; Committee to sit again.

## SITTINGS AND BUSINESS

**The Hon. G.A. INGERSON (Minister for Industrial Affairs):** I move:

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

Motion carried.

## CORPORATIONS (SOUTH AUSTRALIA) (JURISDICTION) AMENDMENT BILL

Received from the Legislative Council and read a first time.

## WORKERS REHABILITATION AND COMPENSATION (BENEFITS AND REVIEW) AMENDMENT BILL

In Committee (resumed on motion).

Clause 17—'Substitution of s.58B.'

The Committee divided on the clause:

AYES (24)

| | |
|---|---|
| Andrew, K. A. | Armitage, M. H. |
| Baker, S. J. | Bass, R. P. |
| Becker, H. | Brindal, M. K. |
| Brokenshire, R. L. | Buckby, M. R. |
| Caudell, C. J. | Condous, S. G. |
| Greig, J. M. | Gunn, G. M. |
| Hall, J. L. | Ingerson, G. A. (teller) |
| Kerin, R. G. | Kotz, D. C. |
| Leggett, S. R. | Lewis, I. P. |
| Matthew, W. A. | Meier, E. J. |
| Oswald, J. K. G. | Scalzi, G. |
| Wade, D. E. | Wotton, D. C. |

NOES (9)

| | |
|---|---|
| Atkinson, M. J. | Blevins, F. T. |
| Clarke, R. D. (teller) | De Laine, M. R. |
| Foley, K. O. | Geraghty, R. K. |
| Hurley, A. K. | Stevens, L. |
| White, P. L. | |

PAIRS

| | |
|---|---|
| Baker, D. S. | Quirke, J. A. |

Majority of 15 for the Ayes.

Clause thus passed.

Clause 18—'Ministerial appeal on decisions relating to exempt employers.'

**Mr CLARKE:** The ministerial appeal on decisions relating to exempt employers gives for the first time, as I understand it and if my memory serves me correctly, a power for a direct ministerial intervention to override any decision

by the corporation's board with respect to registering exempt employers under the Act. I have quite a few concerns about that, one being maintenance of the integrity of the scheme. We do not want too many exempt employers; we have too many now, covering some 40 per cent of the work force and, under the insurance pooling system, it is putting increasing premium pressures on smaller businesses.

Only large businesses will be able to go out as exempt employers, and the more that do so will increase cost pressures on those that remain within the pool system, such as the member for Mitchell's business. I would not want anything to happen to his business as he will need to resume employment after the next election. My other concern is that I do not think sufficient safeguards exist within the legislation as to the Minister's powers. Clause 18 provides:

(4) The Minister has an absolute discretion to decide an appeal under this section as the Minister thinks appropriate.

(5) If the Minister decides in favour of the appellant, the Minister must furnish the corporation with a statement of the reasons for the decision.

That is not much chop: there is not even a reference to a ministerial statement or advice to Parliament on the matters. One of the concerns I will have—not just with this Government but with any Government—is that just by ministerial *fiat*, a favour could be granted to a corporation, whether it be a large donor to the political Party that happens to be in Government or the *Advertiser* newspaper wanting to become an exempt employer. I think the *Advertiser* is an exempt employer. I am not 100 per cent certain as to the *Advertiser's* status. I think it sought to be exempt at one stage. Let us assume, for instance, that it is not exempt—and we will find out the facts on that later—and that it makes an application to the Minister seeking to override the corporation's refusal to allow it to become an exempt employer.

The Minister does not have to give any real reasons other than to the board of the corporation. The corporation's board is subservient to the Minister, subject to direction by the Minister, and the grounds and reasons for it are not furnished to this Parliament. As a consequence, a large employer would drop out of the pool and everyone else, the smaller employers, would have to pick up the tab as far as the insurance premiums are concerned, which would put further pressure on premium rates and particularly on benefit levels for injured workers. I know that the Minister and the *Advertiser* are very close but I am sure there would not be any impropriety in that area. Basically, I am a distrustful person in this area, and I just do not believe that Ministers should have this direct interference, because the Minister's duty should be to protect the integrity of the corporation and to ensure that an insurance system does apply across as broad a number of employers as possible to ensure that everyone helps shoulder the burden and to keep WorkCover a viable proposition.

**The Hon. G.A. INGERSON:** I know it is late at night and I know the Deputy Leader of the Opposition does not have the staff that we have to advise him, but if he read the Act he would know that this is word-for-word the existing Act that was put in by the Labor Government and all the comments he has made would apply under the existing Act.

*Mr Clarke interjecting:*

**The Hon. G.A. INGERSON:** The reason it is coming in is that the original provision was under 98A and it has been reclassified under 62A; it is just a reclassification of the number.

Clause passed.

Clause 19—'Deferred payment levy.'

**Mr CLARKE:** I am somewhat curious about why the Minister has put in this provision, because there will be a constant thread of people knocking on the Minister's door and that of the corporation of employers wanting to have deferred payment of their levies. There are grounds such that the employer is in financial difficulties and that the employer has a reasonable prospect of overcoming the financial difficulties.

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** I do not know about the Australian Tax Office but I do not think it allows deferral of tax liabilities. I know it has done it on specific occasions. But enormous difficulties can arise from this, because quite simply, if a company cannot meet its WorkCover levy rate payments, I suspect that its financial position would be so parlous that if the deferred payments went for very long there would be every likelihood of its going through the hoop and consequently WorkCover would not receive its premiums. There have been rumours, and I do not know whether the Minister can tell me today, that the Garibaldi company owed WorkCover something like $150 000 in WorkCover levy rates.

That is what I have heard and I would appreciate whether in fact the Minister is able to confirm that that is true. If it is true, then I would have thought you would have done your dough cold as a result of the events of the past two or three days. If that is true, the employers of this State will have to pick up the tab because, effectively, that reduces the income pool from which everybody else will have to meet that burden. You are creating a real rod for your back in the sense that you will have so many employers knocking on your door wanting special deals for deferments. You will have to say yes to this company and no to another. Are the circumstances of the companies identical? How will you apply the yardstick across the board so that everyone understands the common policy, that there is no friend or foe in terms of the deliberations on the area of deferral of the payment of levy rates?

As I said earlier, my concern is that if a company cannot keep up its payments with respect to its WorkCover levy rate, it is running very close to the wind already. If they cannot meet that levy rate, then they are in all sorts of financial troubles and there is a greater chance of the corporation losing a substantial sum of money out of it than if it insisted on its money being paid. If Garibaldi did owe that $150 000, I would be interested also in knowing for what period of time that was outstanding and whether a special approval was granted by the board or the Minister in those circumstances, and how many other such companies are in a similar circumstance and how much money is outstanding overall with respect to owed levy rates.

**The Hon. G.A. INGERSON:** First, it is current board policy to do this. It is our view as the Government that it ought to be in the Act if it is going to occur. Secondly, it is our view that if a business is in the hands of the liquidators and can be saved—and I can say this from experience as one (the Tatiara meat company) has been recently—part of that saving relates to working out a scheme of payment for back workers' compensation payments. That has been done with that company and it is now going on from strength to strength. It is our view and my very strong view that that is the sort of thing we can do, and pick up the payments as far as the scheme is concerned. We are not in job creation, but we are also not in closing down jobs, and as far as I am concerned, we would have very strict accounting rules set for

the board, and everyone would have to comply with them. If a company goes broke, we lose the money in any case.

I was very critical, and still am very critical of some of the closures made by the State Bank in the asset management sale area. It is my view that a lot of those small to medium size businesses that were closed up were closed up because they could not run their business effectively for two to three years. However, had they been looked at on a 10 year time scale, most of those businesses (and I was involved in looking at several of them) in my view would not only have survived but would have become very effective businesses and would have repaid all their debt to the State. I think that was very shortsighted on the part of a lot of people involved.

As long as we have very good accounting procedures and there is a requirement that commonsense takes place, we ought to have this clause. As far as Garibaldi is concerned, I am advised that we do not know what that situation is, but we will get that information for the Parliament. I can report to the Committee that there were some difficulties in terms of payments some three or four years ago, when I was shadow Minister, but it is my understanding that that was all cleared up. As to the current status of Garibaldi, I will find that out and report to the Parliament.

Clause passed.

**The CHAIRMAN:** Clause 20 is very substantial, comprising about 15 pages of legislation. I suggested there might be some discretion exercised by the Chair with regard to the questioning on this clause.

Clause 20—'Repeal and substitution of parts 6 and 6A.'

**Mr CLARKE:** I have discussed this matter with the Minister and, if it is convenient to you and the Committee, Mr Chairman, I would like to discuss the whole of part 6.

**The CHAIRMAN:** Canvass the whole of the clause?

**Mr CLARKE:** Yes, and draw the Committee's attention to a few of the provisions within it that are of concern. Some are of extreme concern to the Opposition; others will be more for comment. That may be the most expeditious way of dealing with it as far as I am concerned, at least.

**The CHAIRMAN:** I am quite happy with that.

**Mr CLARKE:** First, this establishes a new way of doing things with respect to the review of WorkCover determinations. Whilst, on the surface, it may sound attractive to try to have review officers just review the documents before them if there are disputes, and only more complicated matters would need to be processed before a beefed-up workers' compensation appeal tribunal, I have several difficulties with that. It is predicated on the basis that this will save money but, of course, the Government would need to adequately fund an expanded workers' compensation appeal tribunal and, rather than having review officers handling these issues with salaries of approximately $70 000, in round figures, you will have judges, who will cost at least twice that amount of money in terms of wages and various other associated oncosts.

We are not talking about one additional judge: we are talking of several new judges being appointed if justice is not to be denied people as a result of a significant back-up of cases. I do not think it will necessarily work that way. It also will be interesting to see the appointment of any new judges and from which law firms they may be appointed. I can think of one, in particular, located in the AMP building in King William Street, which may be favoured with judgeships on an expanded workers' compensation appeal tribunal. That would give me some concern, given that its business has almost exclusively been that of representing the interests of employers in workers' compensation matters.

The other point about that is that at least half the cases that come before review officers, according to my information and the limited direct experience I have had in this area, end up not just as an examination of documents before the review officer in relation to looking at doctors' reports and various other documents to ascertain whether the corporation's case manager has made a right or a wrong decision; more often than not, they go down to the credit of the plaintiff.

That means that, in at least probably 50 per cent of the cases, that person would have to appear before either a review officer or a judge so that their evidence and credibility could be tested. Of course, it would involve not just the worker but also the employer and others involved in a particular case. That type of procedure cannot be conducted in the confines of a review officer's room, which is really only suitable for the examination of documentation. Whilst it sounds fine in theory, my concern is that overwhelmingly in most cases the evidence of the employer, the worker and the supporting witnesses, whether they be doctors or whoever, must be tested, and that requires a full-blown trial or review process, the cross-examination of people under oath, and the like. It seems to me that that would involve going direct to the workers' compensation review tribunal rather than the review officer area which, to many workers—particularly those from a non-English speaking background who are perhaps unfamiliar with our legal system—is not quite as intimidating as the tribunal and has a more informal atmosphere.

So we will have additional costs or at least the same costs I suspect as a result of having to appoint extra judges to take over these cases from the review officers. Judges do not come cheaply, and there have been difficulties with them in the past. Therefore, I do not know whether it will be a great money saver as far as the corporation is concerned. New section 83C (1) provides:

> The corporation must attempt to resolve the questions raised by an application for review by an agreement.

The reality is that that is what the corporation should be doing now, in any event. The corporation's biggest difficulty is that case managers are almost invariably overloaded as far as their work is concerned. Originally, case managers were expected to handle only about 90 files at any one time. However, the other day—and no doubt the Minister can confirm this—I heard that it was more like 150 to 160 files per case manager. That is an inordinate workload for the efficient distribution of work; to follow through queries from injured workers and from employers, where complaints are often received because they do not believe their case is being attended to promptly enough; for the settlement of accounts; and to determine whether a claim should be allowed. Whilst I do not disagree with new section 83C conceptually, the fact is that that is what should be done now, and it is more a question of resources and the overload of case managers as far as their workload is concerned.

Division 8 of part 6A deals with the workers' compensation appeal tribunal and the establishment of conferences. Again, that should be happening now; the appeals tribunal should be holding conferences of the parties to try to reach an agreement rather than taking up time and incurring the expense associated with a formal hearing.

However, the area with which I am most concerned in clause 20 and on which I want to spend a little time is

division 12, relating to costs, to which I alluded in my second reading speech yesterday. New section 98(2) provides:

> However, costs are to follow the event unless there are special reasons in the circumstances of the particular case for departing from that principle.

That is a complete reversal of the tradition that has followed workers' compensation cases for decades. As I said yesterday, I cannot go back to the actual year in which it was generally accepted that in workers' compensation matters, where a worker has displayed no bad faith in launching an appeal with respect to workers' compensation matters, whilst they might have to bear their own costs, they did not have to bear the other side's costs as well.

It is a very simple argument because we are not dealing with the rights of two corporations slugging it out in the Supreme Court where the loser picks up the tab for both: here we are dealing with injured workers. Overwhelmingly, almost all have scarce financial resources available to them. They would be intimidated either in launching an appeal on their own or defending an appeal launched by the corporation—as any one of us would be—by having to take on, perhaps, the threat that in the event of a loss they would have to meet the corporation's legal costs.

I would appreciate the Minister's trying to explain the logic behind the Government's thrust to say to injured workers, 'We are going to put this huge hurdle in front of you' by saying, 'By all means, WorkCover will appeal this particular decision and, if you defend it and lose it, you potentially could lose your house.' Some, although not all, of these appeal matters can be very long. Lawyers are not cheap, as many of us know whenever we have used them, and one is not just paying the costs of a day or two days in court, and it could be $1 500 or $2 000 a day for a particular lawyer.

It might be a particular point of law which is so specialised that the corporation might use a QC, so you are picking up the QC, the bag carrier, the junior barrister—for whom you pay two thirds of their costs—and an instructing solicitor as well. If you have a case like that fronting you, you are looking at more than several thousand dollars a day in legal costs, let alone the cost of preparation, for which you would also be billed. Whilst the corporation can afford that, the worker cannot.

Almost invariably the worker cannot because, overwhelmingly, most workers are on low incomes; that is, they are in receipt of average weekly earnings of $500 a week or thereabouts. They have families to support and mortgages to pay and very few resources behind them in terms of savings. It has always been an accepted practice in workers' compensation matters that for that very reason the workers' compensation law always provided for something which was different to what had traditionally happened in the civil courts, namely, that the loser pays for the other side.

If we are to have any justice in the compensation system, injured workers must be able to feel confident that they can defend their case if WorkCover appeals against them or initiate a case against WorkCover if they feel that they have solid grounds to do so and if they are advised accordingly. Not to allow them to do so is to deny justice to them.

We all know how difficult it is these days in any field when the law is involved to access justice in this country because of the sheer cost. Many constituents would come to members' offices on a daily or at least a weekly basis with a complaint or a legitimate grievance against another person, corporation, Government body or whomever who would dearly love to be able to test their rights in a court but find that they simply cannot do so because, for one reason or another, they do not qualify under the Legal Services Commission for legal aid or just do not have sufficient funds to expend in this area.

It is quite clear that, with respect to workers' compensation matters, it is unlikely that the Legal Services Commission would offer aid in that area because it would not only have to meet the costs of the individual worker but also, potentially, those of the corporation and all the associated problems. So, I make a particular plea to the Government to recognise this as a fundamental right of workers which should continue to be enshrined in our legislation.

**The Hon. G.A. INGERSON:** There is no question about that. We will look at the costs. There was no deliberate intention to place a burden on the injured worker, but there was an intention to look at how costs can be apportioned more logically. If what the Deputy Leader says is true, we will do something about it; we understand what he says and we are prepared to look at it.

I am quite fascinated with the reply in relation to the return to an administrative appeal, because again in 1985 this was one of the major recommendations of the working party. It argued strongly that we should keep lawyers out of the administrative process, that we should have a more effective process, that this would be a more efficient and the best procedure in terms of settling claims, and that we could then push any legal matters off to the court. That is basically what we have said we ought to do, and we recommend that that should happen.

The current situation is not acceptable. We have nearly 2 700 cases before the review system. On average, they take about seven months, some of them up to two years, to settle. One of the prime reasons for the blow-out in time is the involvement of the legal profession in the review: 70 per cent of cases involve lawyers. It is our view that we can streamline that process without in any way removing the argument of law from the court.

The Deputy Leader talked about the need to have more judges or deputy presidents in the court, and that is about to be done. We recognise clearly that a move from the administrative system will require more people at the court level but, as the Deputy Leader has been so convincing in his argument for the need to have lawyers and fairness, I should have thought that the sooner we got them into the courts, and had a real legal judicial system instead of the quasi-judicial system of review that we now have, and removed some of the unbelievably bad legal decisions that are currently being made at review, the better off everyone would be in terms of fairness.

If members read some of the decisions made, they will not believe them. The tragedy at the moment is that those particular cases cannot be taken up in the tribunal and properly treated as if the tribunal were a court. I would have thought any change that improved that would be good. It is interesting that it happens in Comcare and that it is recommended in the Industry Commission report. Even the plaintiff lawyers support it: you have to feel good if the plaintiff lawyers support something that the Government does. They believe that it is a reasonable course of action.

As I said, the Industry Commission believes that it ought to happen. The commission has stated that its preference is for reliance on non-adversarial dispute resolution procedures with the emphasis on conciliation and arbitration, although legal representation, in its view, should not be excluded. Of course, that refers to conciliation and arbitration. Judicial

review should be a last resort. Procedures should be characterised by a prompt initial decision subject to non-judicial review by an independent internal arbitrator in the first instance before appeal to external arbitration and/or resort to courts. This is an independent inquiry recommending that, in its view, this is the best method in which to carry it out. Clearly, that is the way the Government believes it ought to go. Comcare, plaintiff lawyers and the IAC support it. The Law Society suggests that it is not a bad idea and, finally, that very important committee of 1985 supported it. This document of 1985 really was very good, stating:

> The corporation to provide an administrative procedure for settling claims and disputes *in lieu* of the current legal adversary system.

I cannot agree with that committee more. The Deputy Leader was part of that committee, and so many of its recommendations were good back in 1985. This is one in particular which I think we should pick up and make work. It is an area in which I agree wholeheartedly with the Deputy Leader. I support the union movement and the employers who were involved, because there is no doubt that the adversarial role of lawyers in the review system at the early stage is one of the reasons for delay and, more importantly, one reason why injured workers spend so much time worrying about when their decision will be made. The Government supports all those groups and hopes that the Opposition, with perhaps a future amendment in the cost area, will support the change in another place.

Clause passed.

Remaining clauses (21 to 24) and title passed.

**The Hon. G.A. INGERSON (Minister for Industrial Affairs):** I move:

*That this Bill be now read a third time.*

**Mr CLARKE (Deputy Leader of the Opposition):** The Opposition continues to oppose this Bill for all the reasons outlined in our contributions to the second reading debate and during Committee. This is a particularly foul and obnoxious piece of legislation designed to financially injure and penalise injured workers who, in many instances, have been injured through no fault of their own other than by carrying out their normal duties, often in unsafe and unpleasant working environments. This legislation simply transfers the cost of workers' compensation insurance from employers to injured workers, their families and the PAYE taxpayers of Australia as well.

The legislation does not put any additional onus on employers in this State with respect to occupational health and safety. In fact, it relieves them of some of their burdens with respect to looking after long-term injured workers after more than 12 months. It gives them the automatic right to give them the big flick if that is their choice.

As I said in my second reading contribution, the unfunded liability—whatever the amount may be that the Minister stated—does not simply disappear into the ether with the passage of this legislation: it is transferred to those least able to defend themselves and their families. I refer to the social cost that it will visit on this State and the other services that will have to be provided by the State in the form of housing and social welfare, and the other community costs associated with police, increased crime and whatever else results from this mean spirited legislation.

I would have thought that we were not about to enter the millennium but were embarking upon the beginning of the twentieth century. As I said, this is an appalling piece of legislation. Fortunately, the Government does not have the numbers in another place, although I note that the Minister, from past efforts in this House, has done remarkably well with negotiations with the Australian Democrats, last year with respect to workers' compensation and industrial relations legislation. I trust sincerely that the combined Opposition numbers in the Legislative Council will be able to knock out totally this legislation because, as I believe should happen, this legislation and the whole issue surrounding WorkCover should be subject to either a parliamentary inquiry or an in-depth round table discussion involving the Minister, unions and employers.

I know the Minister will say that has always been a waste of time. It has not always been a waste of time. Real progress was made in the establishment of the WorkCover scheme in the first place when it delivered so much to employers in South Australia through reduced workers' compensation premiums. Employers and the Government have short memories about the benefits that WorkCover in its present form brought to employers. It is not the fault of injured workers in South Australia that other conservative Governments—

*The Hon. G.A. Ingerson interjecting:*

**Mr CLARKE:** Yes, I have mentioned it. It is not their fault that other conservative State Governments with respect to workers have engaged in this auction system, using workers' compensation as a loss leader and reducing their insurance premiums artificially by bringing in lower benefits for their workers. We will not have any truck with it and will fight it all the way down the wire.

The House divided on the third reading:

AYES (27)

| | |
|---|---|
| Allison, H. | Andrew, K. A. |
| Armitage, M. H. | Ashenden, E. S. |
| Baker, S. J. | Bass, R. P. |
| Becker, H. | Brindal, M. K. |
| Brokenshire, R. L. | Brown, D. C. |
| Buckby, M. R. | Caudell, C. J. |
| Condous, S. G. | Greig, J. M. |
| Hall, J. L. | Ingerson, G. A. (teller) |
| Kerin, R. G. | Kotz, D. C. |
| Leggett, S. R. | Lewis, I. P. |
| Matthew, W. A. | Meier, E. J. |
| Oswald, J. K. G. | Rosenberg, L. F. |
| Scalzi, G. | Wade, D. E. |
| Wotton, D. C. | |

NOES (8)

| | |
|---|---|
| Atkinson, M. J. | Blevins, F. T. |
| Clarke, R. D. (teller) | De Laine, M. R. |
| Geraghty, R. K. | Hurley, A. K. |
| Stevens, L. | White, P. L. |

PAIRS

| | |
|---|---|
| Baker, D. S. | Quirke, J. A. |

Majority of 19 for the Ayes.

Third reading thus carried.

## LOTTERY AND GAMING (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 30 November. Page 1316.)

**Mr CLARKE (Deputy Leader of the Opposition):** After having studied this Bill in great detail this evening, and after

having consulted with our lead spokesperson on this matter, the member for Playford, who is paired tonight, I rise to indicate that the Opposition is prepared to agree to this measure which the Government seeks to pass and which I understand strikes a middle road in the ability of the Government to suspend for a specified period a licence under the various lotteries umbrellas.

Currently the licence cannot be suspended but cancelled and such measures flow from court action. This measure allows for greater flexibility and therefore we support it. However, the member for Playford has asked me also to mention that this measure may be the appropriate penalty for sale to 16 year olds of lotteries products—scratch tickets I think. The Treasurer would well recall the debate and the very close votes on conscience lines in this place on this issue. I also seek an assurance from the Minister of what reportage will follow from the use of these measures under the legislation. Perhaps that can be given either in the Minister's second reading reply or in Committee, whichever takes his fancy. With those few caveats, and after a great deal of soul searching and research by myself on this matter, with the assistance of the member for Playford, we support the measure with those qualifications.

**The Hon. S.J. BAKER (Deputy Premier):** I thank the honourable member for his quick reading and understanding of a complex subject. I understand that he has been heavily involved in another debate for the past one and a half days. I thank the Opposition generally for its support. Basically it is to make the provisions that already exist a little more workable whilst providing some further flexibility in areas of gambling, which would not offend the consciences of the majority of the community. The instant ticket supplies have been a huge problem in the past with some rorts in the system. The practice has been outlined to the Parliament before. Under existing provisions we only have a right to either let it go or take away the licence. That is very draconian and we have decided that it is more appropriate to impose a penalty more befitting the crime and be able therefore to police the provisions more adequately rather than taking away a livelihood. We have put a suspension of licence provision in the Bill before us.

The issue of lotteries and who benefits from them has been a matter of considerable concern. Who benefits from them outside the welfare non-profit sector? By definition we believe the public, through the tax paying process on Government sponsored products, and the welfare non-profit sector should be the only beneficiaries in these circumstances, and it is important to ensure that the Act and the spirit of the Act is complied with. We therefore wish to restrict particular schemes that tend to by-pass the provisions of the Act. We are specifically limiting those areas that have been used by particular individuals and organisations to circumvent the laws laid down. They are lotteries and involve profit being passed on to other than non-profit and welfare organisations. Certainly, the Government does not benefit from them, and they do not get picked up in the taxation system. Therefore, we are making quite clear that these schemes should not be allowed to continue.

The Punters Club has been operating quite successfully in New South Wales and Victoria, and the Racing Club here believes that it would be an additional incentive for people to attend the races. The number of people attending race meetings has been declining dramatically over the past 10 years, and it is important that the health and stability of the industry be preserved as far as possible. This is providing just that little bit extra: the racing clubs can institute a Punters Club, which is strictly controlled. The proponents do not receive a share of the winnings if they should pick the winners from which the investors would benefit. They do not benefit in like fashion, and there are some strict rules which prevail in these circumstances.

One area which has caused me some difficulty since the Bill was introduced is common gaming houses, and I intend to look again at this provision. The major contention is that reversing the onus of proof, as we do under the provisions here, could impose a penalty of imprisonment, which is not in keeping with the spirit of the law. The Police Commissioner and the Vice Squad would be more than happy to see the existing provision remain, but I believe that the legal fraternity and purists in the law would suggest that reverse onus of proof, which carries a possible sentence of incarceration, is still inappropriate. We are looking at other ways of tackling the problem to make this provision workable.

It has been pointed out that nobody has been prosecuted in the past 10 years, but I could check the details, because it is impossible to prosecute anyone for operating a common gaming house. The existing let-out clauses mean that one could be playing cards and still escape the provisions in the present Act, so it is unworkable.

I signal to the House that I have received a number of propositions in relation to this matter which may make it more acceptable and enforceable than it is at the moment. Five propositions were prepared for me. I will look at them and have discussions with the Police Commissioner to ensure that we get the principles of the law right at the same time as ensuring that the criminal is caught and successfully prosecuted.

It is not the normal friendly card game but the big gambling arrangement that has to be targeted and prosecuted. Such games cannot be prosecuted in the way that we would wish at the moment, because the proof arrangements mean that anyone owning an establishment and running a sly game can escape the law. That is not appropriate. As members will recognise, when we talk about big games we are talking about a whole lot of involvement including organised crime. There is a relatively small element involved, but it does exist. However, there are other areas associated with it, including prostitution and drug abuse. This is an area where what is going on is apparent but the ability to prosecute is diminished by the current provisions in the Act.

I give notice to the House that the matter of how the provision should actually be written to make prosecution possible while at the same time providing a little more purity in the law will occupy my attention during the Bill's passage between the two Houses. I thank the Opposition for its support.

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

## GOVERNMENT FINANCING AUTHORITY (AUTHORITY AND ADVISORY BOARD) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 30 November. Page 1316.)

**Mr CLARKE (Deputy Leader of the Opposition):** The Opposition is prepared to support this Bill, subject to an amendment that has been circulated in the name of the

member for Hart. In essence, it seeks to apply some gender balance with respect to this board so that at least one member of the board must be a man and one must be a woman.

I appreciate that the Deputy Premier has this misogynist image. This may be his one opportunity in life to disprove the vicious rumour that is circulating through the House by agreeing to the amendment without any further delay. After an extensive study of this legislation and, again, in consultation with the our shadow Treasurer, the member for Playford, I understand that the basis of this Bill is a restructuring of the SAFA board.

Basically, it is not a totally different method of control. However, it is the Government's right to set up an authority such as this if that is its decision for the period it is in office. Subject to the Government's support for the amendment moved by the member for Hart, we will have no problems whatsoever in sending this legislation to another place with our seal of approval, otherwise it will no doubt come back for the Treasurer's consideration.

**The Hon. S.J. BAKER (Deputy Premier):** I thank the Deputy Leader for his contribution to the debate. This is part of the reform package. We are making SAFA a more focused—a leaner and meaner—organisation to ensure that we do not have the problems of the past, where SAFA was used as a milch cow by the Government and for every purpose other than that for which it was designed.

Clearly, SAFA must address two issues: first, it must ensure that its charter is upheld, pursued with vigour and relates to the cost of financing to ensure that we get the best value for our investments and the lowest cost for our borrowings, on either domestic or international markets; and, secondly, it must reduce the risks that can be associated with interest rate movements.

There is a whole range of other issues, but they are all subsets of good financial management, and I will not go through them, although they are very important to the future governance of the financing of the State Government's expenditures and debt. We have one amendment on file, and I note that the honourable member also has an amendment. I will briefly address those amendments in the Committee stage.

This measure is another step forward. It does not follow exactly what the Audit Commission recommended. This is one of those areas of departure which has been clearly explained and which is based on very sound reasons. The Government is more than happy to say that in relation to a number of recommendations the Audit Commission's report, which was endorsed almost in its entirety, we believe there is a better way of addressing the issues, and that is what we are doing here.

I believe that the marketplace has recognised our endeavour and our desire to ensure that the financing of Government is not only transparent but also properly focused on the short, medium and long-term rather than on the quick fix solutions that we have seen in the past. I commend the Bill to the House, and I commend the Opposition for its support.

Bill read a second time.

In Committee.

Clauses 1 to 5 passed.

Clause 6—'Membership of the board.'

**Mr CLARKE:** With the authority of the member for Hart and in his absence, I move:

Page 2, after line 30—Insert subsection as follows:

(1a) At least one member of the board must be a man and one must be a woman.

I have already outlined the Opposition position on this matter during my second reading contribution. Essentially, this amendment is similar to amendments the commission put forward in another place in other legislation involving the Government. If we are dealing with Government bodies in particular, there should be a commitment to a gender balance with respect to the membership of those boards. It is not a question of there not being people of suitable calibre or merit in terms of their being able to serve on such boards. It is not tokenism but it does reinforce a commitment by this Parliament, and we spent a lot of time last year celebrating women's suffrage and their right to stand for Parliament, and we have two very nice tapestries hanging in this Chamber to remind us of that.

It would seem totally inappropriate for legislation from this Parliament, so close to the end of this century, not to consistently push for a proper balance and representation within all Government authorities, and, where ever possible, ensure a gender balance, particularly in positions of authority such as on this Government Financing Advisory Board. I would suggest very strongly that the Treasurer consider favourably this amendment, which will certainly facilitate its passage through another place. It is not an issue he will be able to avoid. Effectively, it would be far better for him to roll over and show that he is not the misogynist that is reputed—mind you, I have defended the Treasurer; he has never struck me as that, but I have nonetheless sought to defend him, and I would like him now to prove that my faith in him has not been misplaced.

**The Hon. S.J. BAKER:** I am quite relaxed about this issue. I would say that the effort being made by this Government to establish that gender balance far outstrips the former Government's efforts. Our record stands very proud compared to the previous Government's rhetoric and lack of action. On this issue: yes, we have endeavoured to ensure that we get at least one woman on the advisory board.

This is no reflection on women whatsoever. It has been a difficult task because in the area of financing on domestic and international markets, particularly in South Australia, it has been a very difficult task to find the skills that we were looking for in this area. The Deputy Leader can understand that. However, we believe that perhaps there is a supplementation of skills required and they do not all have to be heavily involved in financing the purest form; the women can bring together a whole range of other skills, so there is a guarantee that the Government will meet its commitment of having at least one woman. I believe that in 10 years, or maybe less, we will have practitioners in this field who are women. At the moment the field is very thin on the ground, for a whole range of reasons, mostly to do with history and not ability. We will be progressing the gender balance on boards. We have already made that commitment. In every area of advisory boards and committees we are doing our utmost to ensure that we do not only get—

*Mr Clarke interjecting:*

**The Hon. S.J. BAKER:** Yes, I will just finish. I said to the honourable member that I was relaxed about the amendment. I think the amendment is superfluous, given what the Government is committed to anyway. I am more than happy to accept the amendment.

Amendment carried; clause as amended passed.

Clauses 7 to 10 passed.

Clause 11—'Annual report.'

**The Hon. S.J. BAKER:** I move:

Page 5—

Line 28—Leave out 'The report' and insert 'Subject to subsection (1c), the report'.

After line 33—Insert subsections as follows:

(1c) The authority is not bound to comply with subsection (1a) if, in its opinion, the advice of the board or the reasons for not following the advice should remain confidential for commercial reasons.

(1d) If the authority relies on subsection (1c) when preparing a report it must state in the report that advice was given by the board but not followed and that the authority relies on subsection (1c) in not including details of the advice or the reasons in the report.

On reflection, we wanted to give the advisory board teeth to make meaningful recommendations but not be the sole arbiter on the business of finance in Government. The former Treasurer would agree with that brief, and that is the way this authority has been set up. In fact, the report is to me, so that I can get two different points of view, if there is a conflict between the management at the Treasury level and the decisions taken by the advisory board. There was a problem to the extent that, if a direction is given by the board and it is not agreed by Treasury, if the matter is confidential it would be inappropriate to reveal those details, particularly on individual financing matters, to the marketplace by this provision in the Bill at the moment which really says that we have to explain this to the Parliament if there is a difference of opinion. We believe that on issues which involve individual items which may be very commercially confidential and injure the board it would be inappropriate to do so. But nevertheless the fact that there has been a difference of opinion should be signalled in the report. So that amendment has been made simply not to get ourselves into a bind and reveal details which would not be to the benefit of Government.

Amendment carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

## ADJOURNMENT

At 11.14 p.m. the House adjourned until Thursday 9 February at 10.30 a.m.