LEGISLATIVE COUNCIL

Tuesday 23 September 1980

The PRESIDENT (Hon. A. M. Whyte) took the Chair at 2.15 p.m. and read prayers.

PAPERS TABLED

The following papers were laid on the table:

By the Attorney-General (Hon K. T. Griffin)—

Pursuant to Statute—

Metropolitan Taxi-Cab Board—Report, 1979-80.

Motor Vehicles Act, 1959-1980—Regulations—Various Amendments.

Racing—Report of the Betting Control Board, 1979-80.

Railways—State Transport Authority—Rail Division —Return of Disposal of Surplus Land, 1979-80.

Supreme Court—Supreme Court Rules, 1980 (No. 5)—Order No. 30.

By Command—

Report by Attorney-General to Premier on Dismissal of Harold Salisbury, dated 22 August 1980 (ordered to be published and printed).

By the Minister of Local Government (Hon. C. M. Hill)—

Pursuant to Statute—

Libraries and Institutes—Report, 1979-80.

Public Examinations Board of South Australia—Auditor-General's Report, 1979-80.

The Flinders University of South Australia—Report and University Legislation, 1979.

By the Minister of Arts (Hon. C. M. Hill)—

Pursuant to Statute—

Regional Cultural Centres—Pirie Regional Cultural Centre Trust—Report, 1979-80.

The State Opera of South Australia—Auditor-General's Report, 1979-80.

By the Minister of Community Welfare (Hon. J. C. Burdett)—

Pursuant to Statute—

Criminal Law Consolidation Act, 1935-1978—Regulations—Prescribed Hospitals.

Health Act, 1935-1978—Regulations—Swimming Pools.

South Australian Land Commission—Report, 1980.

The Committee Appointed to Examine and Report on Abortions Notified in South Australia—Report, 1979.

By the Minister of Consumer Affairs (Hon. J. C. Burdett)—

Pursuant to Statute—

Builders Licensing Board of South Australia—Auditor-General's Report.

MINISTERIAL STATEMENT: SALISBURY REPORT

The Hon. K. T. GRIFFIN (Attorney-General): I seek leave to make a statement.

Leave granted.

The Hon. K. T. GRIFFIN: On 4 February 1980 a Mr. John James Lang Ceruto made a public statement on the occasion of the national launching of the book *It's Grossly Improper,* by two journalists, Messrs. Ryan and McEwen. As a result of the report of that public statement, the Premier requested me to examine the transcript of the statements by Mr. Ceruto and to report to him.

Since that time the media have periodically made inquiries as to the progress of the report, and the Leader of the Opposition in this place, as well as members of the Opposition in the House of Assembly, have requested information about the report on a number of occasions.

On 19 February 1980 the Leader of the Opposition, in asking questions about what he called "inquiries" ordered by the Government, asked:

> . . . Will he say when it is expected that the following inquiries will be completed and whether the reports in each case will be made available to Parliament: . . .

Included among those reports was the report connected with Mr. Salisbury's dismissal. On 3 June 1980 the Leader of the Opposition in the Legislative Council again raised the question of my report to the Premier, leaving no doubt that he wanted the report tabled.

The Hon. C. J. Sumner: Rubbish! That's a bloody lie!

The PRESIDENT: Order!

The Hon. C. J. Sumner: That's a bloody lie!

The Hon. K. T. GRIFFIN: I ask that the Leader withdraw that remark.

The Hon. C. J. SUMNER: I withdraw the remark, for the moment.

The PRESIDENT: There can be no conditions attached. The Leader either does or does not withdraw.

The Hon. C. J. SUMNER: I did.

The PRESIDENT: The Leader withdrew on a temporary basis, which is not acceptable as far as I am concerned.

The Hon. C. J. SUMNER: I withdraw, Mr. President.

The Hon. K. T. GRIFFIN: Again, on 5 August 1980 the Leader of the Opposition in the Legislative Council asked further questions about the report, leaving no doubt that if the Government did not table it the Government would be subject to criticism. On 6 August 1980, the Leader of the Opposition in the Legislative Council made a great fuss about the release of reports. One can find the details of that fuss on pages 83 and 84 of *Hansard* for the current session of Parliament. The context of the reference to my report to the Premier on the Ceruto statement, along with other reports, was that the Government was not prepared to make the details public. There obviously was criticism that the Government was not making these sorts of reports public. So, as recently as last Thursday, the Leader of the Opposition was putting pressure on the Government to announce the details of my report.

Last Thursday, I did indicate to the Council that I had completed my report and forwarded it to the Premier but that the Government was reluctant to table it. That reluctance relates to the personal affairs of individuals, and a perusal of the report which I have just tabled will indicate the reason for the reluctance. In fact, in the *News* on 25 June 1980, the Premier indicated that the report from me to the Premier was unlikely to be made public. However, there has been constant pressure for it, particularly from the Opposition in the Legislative Council, as well as in the House of Assembly, and rather than face further unwarranted criticism from the Opposition the Government has taken the view that the report should be tabled and should be allowed to speak for itself.

In fact, the report was completed on 27 August 1980. It deals with a particularly difficult and sensitive matter. It has required a considerable amount of work in perusing the evidence given before the Mitchell Royal Commission, the report of that Royal Commission, extensive research and other work.

I have sought to prepare and present the report as objectively as possible, rather from a legal point of view than a political point of view. The assessment is directed towards a review of the Royal Commission in the light of the Ceruto statement and other new information which was available publicly, was discovered after a great deal of research but was not presented to the Royal Commission.

The report must be read as a whole, the questions raised and considered being very much interdependent. It speaks for itself. One thing is beyond question. Undoubtedly Mr. Harold Salisbury was a policeman with an unblemished record; he served with distinction as Police Commissioner in South Australia between July 1972 and January 1978. His career was a distinguished one and he was highly regarded during his term of office in South Australia. He served South Australia well and faithfully.

QUESTIONS

APHIDS

The Hon. B. A. CHATTERTON: The Minister of Community Welfare has informed me that he has replies to questions I asked on 21 August and 13 August regarding aphids. Will he now give those replies?

The Hon. J. C. BURDETT: In reply to the question asked on 21 August regarding the aphid task force, I am informed by the Minister of Agriculture that $68 503 was not spent in 1979-80 and that no proportion of these funds came from Commonwealth sources. In any event, the honourable member will know that surplus funds cannot be carried over to the ensuing financial year. Thus, the aphid task force members could not have been employed beyond 30 June 1980 purely to absorb the $68 503.

In reply to the question asked on 13 August about the staffing of the aphid task force, the Minister of Agriculture suggests that the honourable member refer to the Minister's statement in the House of Assembly on Thursday 14 August 1980.

FRUIT AND VEGETABLE MARKET

The Hon. B. A. CHATTERTON: Has the Minister of Community Welfare, representing the Minister of Agriculture, a reply to my question of 21 August about the fruit and vegetable market?

The Hon. J. C. BURDETT: The Minister of Agriculture states that he advised a group of growers assembled at the Gateway Hotel on 14 December last that land would become available on the northern outskirts of Adelaide during 1980. No inference could be drawn from the Minister's statement to indicate that the Government intended to proceed with the establishment of a second market facility. Indeed, the Government is not prepared to fund such a venture.

"DIMORA"

The Hon. J. R. CORNWALL: Has the Minister of Housing a reply to the question I asked on 21 August about "Dimora" and residential renewal?

The Hon. C. M. HILL: As the reply is lengthy, I seek leave to have inserted in *Hansard* without my reading it a statement of the objectives and policies relating to city living as contained in the adopted City of Adelaide Plan, together with an explanatory statement regarding housing development in the city since 1967 and a summary of the situation taken from Discussion Paper No. 3—"Living", as prepared by the Adelaide City Council.

Leave granted.

EXPLANATORY STATEMENT—CITY LIVING

The City of Adelaide's attitudes to the residential development in the city are contained in the Objectives and Policies of the City of Adelaide Plan adopted by council in October 1976. The Living Objective of the City of Adelaide Plan states, "Restore, rehabilitate and redevelop a wide diversity of accommodation and extend and develop supportive community services for all age, income, ethnic and social groups and increase the city's resident population".

In relation to living the policies in the plan, which are the specific courses or methods of action which have been selected to guide decisions relevant to the achievement of the objectives of the plan, state:

30. Existing residential areas in north and south Adelaide should be selectively rehabilitated and redeveloped, increasing where possible their overall population densities, while retaining their existing environmental character, and being protected from further encroachment by incompatible activities.

31. Residential development in selected parts of the city, such as the Brougham/Palmer Place ridge, West Terrace and parts of South Terrace should be permitted to attain a higher density than residential development in adjacent areas.

32. A residential component should be encouraged in appropriate new developments in the Frame District, with the exception of the central market precinct, western service precinct (other than properties adjoining West Terrace), and the area north of North Terrace.

33. Incentives should be offered for the provision of residential floor space in the core district. Adjacent to the core district, in the East End, West End and King William Street south precincts, encouragement should be given to the redevelopment of non-residential land, either wholly for, or with a component of, medium to high density housing.

34. Appropriate government action should be taken to stimulate residential conservation, rehabilitation and redevelopment in appropriate parts of the city, and to ensure that the needs of disadvantaged and minority groups are fully met.

35. There should be an increase in the amount of publicly-owned rental housing in the city, with priority given to occupancy by city-dwellers displaced by the effects of other housing initiatives.

36. There should be an adequate stock of residential accommodation in lodging houses, boarding houses and hostels within appropriate parts of the city for both permanent and transient residents of limited means.

37. The development of local community centres in the residential district of the city should be actively encouraged, incorporating recreation, health and welfare facilities for the expanding residential communities around them. The potential for developing community centres in association with schools should also be investigated.

38. The Squares and parklands within and surrounding the residential district should be made more accessible to and usable by the city's residents and work force.

The council is at present carrying out a review of the Adopted City of Adelaide Plan and as a result of this review many of the existing objectives and policies of the plan will be amended. It should be noted that while the Adopted City of Adelaide Plan states that the city's resident population should increase no target figures for such an increase are included in the plan and the attainment of a particular population level has never been part of council's policy. Prior to 1967 the city had been experiencing a steady decline in population (from 34 900 in 1947 to 18 619 in 1966, an average rate of 862 persons per annum).

The principal causes were: zoning policies of the council which permitted commercial development over most of South Adelaide, the age and condition of the housing stock and the preclusion of rebuilding of houses on most city

allotments which were undersized in terms of the Building Act regulations. After 1967 council began to actively explore ways and means of promoting residential renewal in the city and 489 new dwelling units were built during 1967-72 and a further 656 during 1972-77. By 1977 these new units comprised some 32 per cent of the city's total permanent housing stock.

Despite the resurgence of residential development, the declining trend of the city's population continued during the decade. This was accounted for by two factors:

(1) Loss of previously occupied dwelling units through conversion, vacancy or demolition continued to exceed replacement between 1967 and 1972 resulting in an overall net loss averaging 92 dwelling units per annum. This trend was reversed between 1972 and 1977 when an average net gain of 22 dwelling units per annum was achieved.

(2) The continuing decline in the occupancy rate per dwelling. In 1967 the average number of occupants per dwelling unit was 2·7 while the corresponding figure in 1977 was 2·1.

Since 1973 the South Australian Housing Trust has been active in the city. In that year the trust owned three dwellings in the city while five years later is owned some 290 dwelling units comprising 8·1 per cent of the city's permanent dwelling stock. The trust's activities have been of great value both in rehabilitation and new rental development and have been largely responsible for maintaining a balanced social-mix in the city. The City of Adelaide Plan envisaged its implementation by a parallel process of development control and "Action Projects" and over the past four years council has been engaged in carrying out a series of action projects and programmes a number of which are directly related to residential redevelopment.

During the 1978-79 municipal year council created a separate Residential Development Reserve Fund. Established with $500 000 in 1978-79 the fund has since been increased to allow for a net capital operating deficit of $1 000 000. As a result of these initiatives it now appears that the decline in the city's residential population has been arrested and that a consolidation and renewed vigour has been created in the city's residential development. The accompanying summary taken from Discussion Paper No. 3 "Living" prepared by the City Planner's Department as part of the review of the present City of Adelaide Plan, indicates significant features relating to housing and population.

REVIEW OF CITY OF ADELAIDE PLAN

DISCUSSION PAPER NO. 3—LIVING

Prepared by City Planner's Department

Summary of findings:

Since 1967 the council has taken active steps to reverse the city's residential decline. There have been three distinct policy phases —prior to Interim Redevelopment Control, the 1972 to 1977 period of Interim Development Control, and the Implementation of the City of Adelaide Plan after 1977.

From the mid-1960's there has been a major resurgence of residential development activity in the city. Between 1947 and 1966 over 200 dwellings per annum had been lost. During 1967 to 1972 the building of new dwellings, mainly flats, reduced this rate of net loss to 92 dwellings per annum. After 1972 the level of development activity further increased, mainly through the building of town houses, resulting in a net gain of 22 dwelling units per annum.

As a result of this activity, some 32 per cent of the city's permanent dwelling stock has been built since 1967. Conversely, in June 1978, 22 per cent of the city's permanent dwelling stock remained "sub-standard" in terms of the Housing Improvement Act.

Between 1947 and 1966 the city's population decreased at an average rate of 862 persons per annum. Between 1967 and 1972 this rate reduced to 458 persons per annum and there was a further reduction to 154 persons per annum between 1972 and 1977.

This continuing decline in population despite increased building activity is explained by decreasing occupancy rates from 2·7 persons per dwelling in 1967, to 2·4 in 1972 and to 2·1 in 1977.

In terms of population numbers, North Adelaide has remained relatively static in the last decade.

Between 1967 and 1972 the population of the eastern and western parts of the residential district of South Adelaide decreased at the same rate. After 1972 population decline was arrested in the south-east while the south-west continued to decline at its previous rate. The latter decline occurred despite development control measures to the contrary, and is largely explained by a major increase in dwelling vacancy.

During the 1967 to 1977 period, the proportion of children in the population decreased. This was off-set by an increase in young and middle-aged adults, reflecting an increasing number of medium density houses and flats replacing family housing. The elderly continued to grow in terms of proportion (although not numbers)—a product of the large number of institutions within the city.

The city's population appeared to be relatively well satisfied in terms of social need—suggesting both "survival of the fittest" by long-term residents, and "location by choice" of newer arrivals.

Since 1975 the council has carried out four action projects aimed at producing residential renewal in specific areas, and has two programmes intended to promote residential development generally. Four further action projects have been directed at improving the social and physical residential environment. The fruits of these action projects and programmes are now beginning to appear.

In 1973 the South Australian Housing Trust owned three dwelling units in the city. It now owns approximately 8 per cent of the permanent dwelling stock. Its efforts have off-set the tendency towards "gentrification" of the population and acted as a catalyst for private development in areas of the city formerly having an uncertain future.

The Hon. C. M. HILL: In answer to the honourable member's specific reference to the proposed East Terrace development which includes "Dimora", the Adelaide City Council has provided the following information:

Nos. 116-124 East Terrace: Conversion of "Dimora" from 13 flats to eight strata title units and the erection of 19 houses. This was approved by council on 11 August 1980 subject to a number of conditions.

Nos. 84-87 East Terrace: Five townhouses have been approved on individual allotments.

Nos. 188-206 East Terrace: The demolition of Lordello Chambers has been approved by council together with its replacement by new offices, ten townhouses and three flats. The first stage of the proposal has been commenced on site.

WARNER THEATRE

The Hon. J. R. CORNWALL: Has the Minister of Community Welfare, representing the Minister of Planning, a reply to my question of 29 August about the Warner Theatre?

The Hon. J. C. BURDETT: I am advised by my colleague the Minister of Environment that the reply is as follows:

1. No. The report was prepared by a consultant external to the department and does not necessarily reflect the views of the Heritage Unit.

The Hon. J. R. Cornwall: That's a lie.

The PRESIDENT: Order!

The Hon. J. C. BURDETT: The reply continues:

2. No. The Warner Theatre has not been listed on the Register of State Heritage Items and is therefore not subject to controls under the South Australian Heritage Act. Apart from that, the City of Adelaide is exempt from the legislation, an arrangement which was legislated for by the

previous Government.

The Hon. J. R. CORNWALL: I wish to ask a supplementary question.

The PRESIDENT: I ask the Hon. Dr. Cornwall to refrain from shouting out what he believes to be an incorrect answer. It is not Parliamentary to call someone a liar or to say that something is a lie.

Members interjecting:

The PRESIDENT: Order!

The Hon. L. H. Davis: Dr. Cornwall is wearing a badge which says, "Raise the standard".

The PRESIDENT: Order! The Hon. Dr. Cornwall.

The Hon. J. R. CORNWALL: The consultant referred to is not a permanent Public Service employee of the department but I believe is employed under section 108 on contract and is therefore in fact, a member of the Heritage Unit of the Department for the Environment. In those circumstances, is it not a fact that the Minister's answer is misleading and untruthful?

The Hon. J. C. BURDETT: I will refer the honourable member's question to my colleague and bring back a reply.

BLUE TONGUE DISEASE

The Hon. R. J. RITSON: On behalf of the Hon. Mr. Dawkins, I ask whether the Minister of Community Welfare, representing the Minister of Agriculture, has a reply to the question asked by the honourable member on 13 August.

The Hon. J. C. BURDETT: I am advised by my colleague the Minister of Agriculture that the Commonwealth Government, through officers of the Australian Bureau of Animal Health, is continuously pursuing negotiations with countries that have banned or restricted the importation of Australian livestock on account of the presence of blue tongue viruses.

The bureau's negotiations are continuing, and it is expected that further reductions in restrictions will occur. Already many countries have waived the requirement for a blue tongue test for stock originating from south of the eighteenth parallel. The honourable member can be assured that every effort is being made to eliminate the remaining restrictions.

MARINE RESEARCH

The Hon. J. R. CORNWALL: Has the Minister of Community Welfare, representing the Minister of Environment, a reply to the question that I asked on 26 August regarding marine research?

The Hon. J. C. BURDETT: I am advised by my colleague the Minister of Environment that the following research projects have been sponsored by the Government since September 1979:

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(1) Gulf St. Vincent sediment studies (joint University of Adelaide and Flinders University)	45 000
(2) Wave studies, metropolitan Adelaide and Upper Spencer Gulf (University of Adelaide three-year study)	90 000
(3) Mangrove study—local relationships between mangrove survival and sedimentation factors (M.Sc. student)	12 000
(4) Coastal vegetation changes using LANDSAT imagery (Ecological Survey Unit, Department for the Environment)	3 500
(5) Seabed current study using drifters—metropolitan waters (Coast Protection Division, Department for the Environment)	2 000
(6) Surface current study using drift cards—Upper Spencer Gulf (Coast Protection Division, Department for the Environment)	2 000

The Hon. J. R. CORNWALL: The original question referred to funding outside normal Government activities, yet the Minister in his reply has referred to the Ecological Survey Unit of the Department for the Environment and a survey conducted by the Coast Protection Division, so the answer is again inaccurate. Has any money in fact been allocated for specific research in the Upper Spencer Gulf region, outside normal departmental activity, since 15 September 1980?

The Hon. J. C. BURDETT: I think that some of the matters referred to in the reply would relate to surveys in the Upper Spencer Gulf region that were certainly outside normal departmental activity. However, I will refer the honourable member's supplementary question to my colleague and bring back a reply.

POLIO

The Hon. C. W. CREEDON: Has the Minister of Community Welfare, representing the Minister of Health, a reply to the question I asked on 13 August regarding polio?

The Hon. J. C. BURDETT: As the reply, which I have already provided to the Hon. Mr. Creedon, is a long one, I seek leave to have it inserted in *Hansard* without my reading it.

Leave granted.

Reply to Question

Survey data indicates that 80 per cent or more of South Australian infants are being immunised with at least three doses of poliomyelitis (Sabin) vaccine. The proportion would approximate one-third for individuals of all ages. However, the percentage actually immune would be much higher than one-third because of immunity gained from:

(1) incomplete courses of vaccination;
(2) exposure to the disease;
(3) infection from individuals receiving Sabin vaccination; and
(4) the large-scale Salk vaccine programme operating during the mid-1950's to late 1960's.

An Institute of Medical and Veterinary Science survey of antibody titres in blood specimens in 1978 suggested that, for each strain of poliomyelitis, about 85 per cent to 90 per cent of the community may be immune.

Regarding diphtheria immunity, over 80 per cent of South Australian children have been reported in surveys to have received three or more doses of triple antigen (which includes diphtheria vaccine). Diphtheria is generally a disease of childhood and adolescence, and an attempt has not been made to assess the overall level of immunity in South Australian adults. It should be appreciated that there has only been the one case of diphtheria notified in South Australia in the past six years.

At the present time, an additional survey of immunisation status is under way in over 100 South Australian schools. The main purpose of this survey is to check the extent to which children in this State are receiving booster doses of poliomyelitis vaccine and diphtheria and tetanus vaccine at school entry. It is anticipated that regional differences as well as overall immunisation status will be evaluated with this survey

data.

Medical practitioners, local boards of health, Mothers and Babies' Health Association, the South Australian Health Commission School Health Branch and other health agencies have been informed of survey findings. Information on immunisation is also being provided to the community, with special emphasis being given to the use of the ethnic media. In the near future, additional information on immunisation will be provided to the public through the media.

KANGAROOS

The Hon. C. W. CREEDON: Has the Minister of Community Welfare, representing the Minister of Environment, a reply to the question I asked on 19 August regarding kangaroos?

The Hon. J. C. BURDETT: I am advised by the Minister of Environment that the reply is as follows:

1. Jesser Meats has a permit quota of 101 900 for 1980.
2. The total State quota was recently increased from 150 000 to 200 000 for 1980. This was done because of the high number of kangaroos causing damage on pastoral properties, not to facilitate the utilisation of kangaroos for human consumption. Jesser Meats may use its existing quota for human consumption, subject to meeting the normal health requirements.

WATER STORAGES

The Hon. M. B. CAMERON: Has the Minister of Local Government a reply to the question asked by the Hon. Mr. Dawkins on 6 August about water storages?

The Hon. C. M. HILL: The storage holdings in the various major metropolitan and country reservoirs at 8.30 a.m. on 15 September 1980, compared with the storage at the same time last year, are set out in the following tables, which I seek leave to have inserted in *Hansard* without my reading them.

Leave granted.

WATER STORAGES

	Capacity (ml)	Storage at 15.9.80 (ml)	Storage at 15.9.79 (ml)
Metropolitan Reservoirs			
Mount Bold	47 300	25 424	47 058
Happy Valley	12 700	8 068	12 794
Myponga	26 800	18 042	21 916
Millbrook	16 500	14 231	16 449
Kangaroo Creek	24 400	6 442	15 518
Hope Valley	3 470	1 972	3 459
Little Para	20 800	10 840	15 830
Barossa	4 510	4 303	4 220
South Para	51 300	30 056	24 792
Total	207 780	119 378	162 036
Country Reservoirs			
Warren	5 080	4 980	5 080
Bundaleer	6 370	6 179	3 011
Beetaloo	3 700	1 873	320
Baroota	6 120	2 906	4 119
Tod	11 300	6 875	9 357
Total	32 570	22 813	21 887

The present storage in the metropolitan reservoirs is approximately 57·45 per cent of the total storage capacity, and is 88 402 megalitres less than at the same time last year. Currently, country reservoirs are holding approximately 70 per cent of total storage capacity, and this is 926 megalitres more than at the same date last year.

SALISBURY REPORT

The Hon. C. J. SUMNER: I seek leave to make a brief explanation before asking the Attorney-General a question about the report of the Salisbury dismissal tabled today.

Leave granted.

The Hon. C. J. SUMNER: The tabling of this report by the Attorney-General in the Council today is an election stunt. The only time that Mr. Salisbury gets used by the Liberals is when he helps them with elections. In the middle of the Norwood by-election campaign in February, the Liberals announced this inquiry. Now, with the commencement of a Federal election campaign, the Liberals table the report.

The Hon. K. T. Griffin: You've been calling for it so many times.

The Hon. C. J. SUMNER: The Attorney-General has said that we have called for this report. At no time in the questions that I have asked in this Council have I called for the tabling of this report. What I have said, and the thrust of the questions, has been: has the report been completed and does the Government intend to reopen the Salisbury Royal Commission? Last week the Attorney-General tried to indicate that the only reason that he was tabling this report was pressure from the Opposition. The Attorney-General stated:

> The Opposition . . . has been pressing for the tabling of the report in Parliament.

The Attorney-General further stated:

> . . . I am reluctant to do that but there has been such pressure from the Opposition on at least four previous occasions since February that, as a result, I will arrange to bring the report into the Council next Tuesday.

In none of my questions have I called for the tabling of the report. The implication that the Attorney-General made in his Ministerial statement and in reply to the question last week—that in my question I had called for the tabling of the report—is a lie.

The simple fact is that the Liberal Party wanted to table this report because of the Federal election and was looking for a pretext to blame the Opposition. On 3 June the Attorney-General said that he was almost in a position to present a report to the Premier; that was four months ago. The report was not presented before because the Liberals were waiting for the Federal election campaign to start. The simple fact is that this is a political document prepared by a biased politician trying to throw doubt on a decision of an independent—

The Hon. J. C. BURDETT: On a point of order, Mr. President—

The Hon. C. J. Sumner: They don't want to hear the truth.

The Hon. J. C. BURDETT: Standing Order 109 provides:

> In putting any question, no argument, opinion or hypothetical case shall be offered . . .

The matters that the Leader of the Opposition has been putting—several of them but particularly the last one about motives, reasons, bias, and so on—are certainly an opinion and argument, and are contrary to this Standing Order.

The PRESIDENT: I uphold that point of order. I was

about to point that matter out to the Leader.

The Hon. C. J. SUMNER: I appreciate that members of the Liberal Party in this Council do not want to hear the truth about their scurrilous political behaviour. The situation is that this report has not been prepared by Crown Law officers; it has been prepared by the Attorney-General, a Liberal politician, for political purposes in terms of the impending Federal election. That report by this biased Liberal politician, a person in the political arena, has been produced to try to cast doubt—

The Hon. J. C. BURDETT: I take the same point of order as I took previously, Mr. President.

The Hon. C. J. SUMNER: The simple fact, Mr. President, is that the Attorney in the report tries to cast doubt on the decision of the judge; that is all I am saying. It is not a matter of opinion; it is in the report. What we have, as I have said, is a factual statement on which a biased politician, by a political report not prepared by Crown Law officers, is trying to cast doubt. He is trying to cast doubt on an independent judicial review of the dismissal of the former Police Commissioner. Again, as I have said, it is a political document prepared by a political person for political purposes.

The PRESIDENT: That is an opinion. I ask the Leader now to ask his question.

The Hon. C. J. SUMNER: The simple fact is that the Liberals raise the Salisbury affair only when an election is in the offing, and that is what has happened on this occasion. In view of the fact that on 3 June the Attorney-General said he was almost in a position to be able to present a report to the Premier, why has it taken until the present time for that report to be completed, some four months after that date?

The Hon. K. T. GRIFFIN: The Leader cannot find any substantive reason for criticising the report that has been tabled, and for that reason he is resorting to clever political manoeuvres and stunts with a view to getting himself off the hook for having asked for the report on so many occasions. Let us just look back to 6 August 1980. During the Address in Reply debate the Leader ranged far and wide about what he regarded as criticisms of the Government which generally had no substance at all. On one occasion during that Address in Reply debate he turned to looking at the release of reports. He is reported on page 83 of *Hansard* as follows:

> Let us look at the Government's approach to the release of reports.

He then referred to Mr. Tonkin's statement during a debate in the House of Assembly on 9 August 1978 dealing specifically with the tabling and release of reports obtained by Governments. The Leader then said:

> What is the Government's attitude to the release of reports in its short 11 months in office? Clearly dismal!

He then goes on to deal with the Salisbury Royal Commission report, the Norwood electoral roll irregularities report, and a variety of other reports which included the Cassidy Report and the report on Monarto.

The Leader has clearly been casting his questions and comments in the context of reflecting on me and the Government for not having been prepared to release reports on the issues to which he referred in the Address in Reply debate. There can be no other construction put upon his clear words on 6 August, last week and those previous occasions back to February of this year when he was, in fact—

The Hon. C. J. Sumner: Have you read the questions? Have I ever called for them in questions asked in this House?

The PRESIDENT: Order!

The Hon. K. T. GRIFFIN: When the Leader was requesting information in the reports, he was clearly setting out to criticise the Government, suggesting, as he did suggest on 6 August, that the Government was not prepared to release those reports. The problem, of course, as I have indicated in my Ministerial statement, is that the matters raised in my report to the Premier are matters of some difficulty because of their sensitive nature, particularly to individuals who are no longer members of this Parliament. Whilst I have generally resisted using names of people under the protection and privilege of this place, in this case there is, in the light of the history of the requests, no alternative but to table the report so that it may be read as a whole and may be seen to be a comprehensive review of the Ceruto statement which was made at the time of the launching of the book *It's Grossly Improper* in 1980.

The Hon. C. J. Sumner: During the Norwood by-election.

The Hon. K. T. GRIFFIN: I understand, from information I have received from a variety of people, that the reason it was not released is that there was an injunction out against the authors which prevented them from releasing that book, and it was quite fortuitous that the release of that book, which occurred in February 1980, was made at that time. The fact is that the lengthy public statement which was made by Mr. Ceruto and which is referred to in the report was what prompted the Premier to ask me for a report on the dismissal of Mr. Salisbury. If one reads the report one will see that extensive research has been undertaken with a view to establishing whether or not any of the statements made by Mr. Ceruto can be supported by independent evidence or otherwise corroborated and whether, in fact, they provide significant grounds upon which the Royal Commission should be reopened or a new Royal Commission should be appointed.

The Leader has suggested that I am trying to cast doubt on the opinion of the Royal Commissioner: if he looks carefully at the report, he will see that I have not sought to make any criticism or reflect upon Mr. Acting Justice White, as he then was, or the Royal Commissioner. In fact, the Leader will see that the assessments I have made and the conclusions I have reached have been arrived at on the basis of further information and not merely speculation about what might have been the position if this information had been available to the Royal Commission. There is no reflection on the Royal Commissioner. There is no reflection on Mr. Acting Justice White. The statements by Mr. Ceruto and the additional information raised a number of serious questions which have been considered and explored in the course of that report.

The Hon. C. J. SUMNER: Will the Attorney-General answer my question why, in view of the fact that he indicated on 3 June he was almost in a position to be able to present this report to the Premier, it has taken him until now to do so, some four months later?

The Hon. K. T. GRIFFIN: It is not some four months later. I said in my Ministerial statement that the report was completed on 27 August and forwarded to the Premier. I have also indicated that it was a particularly difficult and time-consuming case. For that reason, although on 3 June I was expecting I would have it completed, I did not in fact—

The Hon. C. J. Sumner: You wanted to let it go for the election.

The PRESIDENT: Order!

The Hon. K. T. GRIFFIN: That is absolute nonsense. The last thing we want to do is interpose State issues in a Federal election. If the Leader wants to make this an election issue, there is no reason why it should not become

one. In fact, the report has been tabled in good faith as a result of a long series of requests made by the Opposition in this Council and in another place. The report is the result of a considerable amount of effort by me and certain officers.

CAPITAL WORKS

The Hon. L. H. DAVIS: I seek leave to make a brief statement before asking a question of the Attorney-General, representing the Treasurer, about State Government capital works expenditure.

Leave granted.

The Hon. L. H. DAVIS: The Australian Bureau of Statistics has published figures setting out the trend of expenditure on new fixed assets by State Governments. These figures, taken over a 10-year period 1967-68 to 1977-78, set out the expenditure on new fixed assets as a percentage of total outlays. The figures are as follows:

	1967-68 per cent	1977-78 per cent
New South Wales	37·7	27·2
Victoria	39·1	27·6
Queensland	37·9	29·5
South Australia	36·9	24·4
Western Australia	41·6	29·4
Tasmania	36·6	30·8

The Executive Director of the Australian Federation of Construction Contractors, Mr. Gordon Mathams, in commenting on these figures, suggested that the fall in the proportion of funds being incurred in capital works projects was due to a significant increase in unproductive Government pay-rolls.

Victoria, South Australia and Tasmania experienced the sharpest decline. The most illuminating point is that, whereas in 1967-68 South Australia was well placed in relation to other States, by 1977-78, after a long period of Labor Government, the South Australian Government expenditure on new fixed assets as a percentage of total outlays had fallen far more dramatically over the previous 11 years than any other State, and also in absolute terms was well short of all other States. There was a lowering of the standard. There would seem to be little doubt that major natural resource projects in the pipeline, together with the expected improvement in industrial activity, will raise the standard. Will the Treasurer comment on the trend of these statistics in the period 1967-68 and 1977-78 and the expected trend over the three-year period of the State Liberal Government?

The Hon. K. T. GRIFFIN: I will refer the question to the Treasurer and bring back a reply.

RELEASE OF REPORTS

The Hon. C. J. SUMNER: I ask a question of the Attorney-General. In view of the fact that he is so overwhelmed by the argument in my Address in Reply speech relative to the release of reports, will he release the other reports referred to in that speech?

The Hon. K. T. GRIFFIN: I did not indicate that I was overwhelmed by the statements by the Leader of the Opposition in the Address in Reply debate, but he has had an obsession with the report that I was making with respect to Mr. Salisbury. I have indicated that, as a result of the pressures that he and the media in particular were putting upon us, there was no alternative but to release it and, accordingly, that was what was done. I may also say, with respect to the Cassidy Report, that that has already been released.

The Hon. C. J. SUMNER: Can the Attorney-General indicate, in one of the questions I have asked in this Parliament about the matter, where I have called for the tabling of the report? The simple fact is that I have not.

The Hon. K. T. GRIFFIN: Let me go back through *Hansard*. On 19 February the Leader of the Opposition raised questions about two reports in particular. He also dealt with the inquiry into the Norwood electoral roll, the inquiry into Australian Labor Party radio commercials, the inquiry into allegations connected with the Salisbury dismissal, the inquiry into the document that was misplaced for a day or so in the State Transport Authority, and the inquiry into the printing or preparation of blocks for the printing of bus tickets—a total of five inquiries. He attempted to make the point (and I say it is quite clear from the statement by him on that occasion) that the Government was using the Norwood by-election campaign as an opportunity to raise questions but not provide answers.

The Hon. N. K. Foster: There wouldn't have been a by-election if the Liberals hadn't been so crook with the first one.

The PRESIDENT: Order!

The Hon. N. K. Foster: They were crook, politically crook.

The PRESIDENT: Order! The Hon. Mr. Foster—

The Hon. N. K. Foster: They were crook.

The PRESIDENT: Order! The Hon. Mr. Foster will desist when I call "Order!" I do not want to take the matter any further but I will not hesitate to do so if that becomes necessary.

The Hon. K. T. GRIFFIN: In that question on 19 February, in dealing specifically with the report in respect of the Electoral Act, the Leader of the Opposition asked:

> When will the results of this inquiry be known, and will the report be tabled?

The whole context of the question, which dealt with what inquiries—

The Hon. C. J. Sumner: That's a straight-out lie.

The Hon. K. T. GRIFFIN: It was, "When will the reports be completed and information made available?"

The Hon. C. J. Sumner: It's a lie. Read the question.

The PRESIDENT: Order! The Hon. Mr. Sumner knows better than to be calling out that what the Attorney-General said is a lie, regardless of whether he agrees with it or not.

The Hon. K. T. GRIFFIN: On 3 July the Leader of the Opposition again referred to the various inquiries for which reports had been called by the Premier and, in particular, dealt with the inquiry that I was requested to undertake in respect of the Salisbury dismissal. He asked what was the result of that inquiry and, in particular, did the Government intend to take any further action. The question was again asked in the context of any possible criticism that the results of that report had not been made available and not made available through tabling.

Again, on 5 August, the day before he spoke in the Address in Reply debate, the Leader of the Opposition again asked a question with respect to the Salisbury Royal Commission and criticised the Government for taking so long to do something about it. He wanted to know whether the report had been completed and, if not, when was it anticipated that the report would be completed and did the Government have any intention of reopening the inquiry into the dismissal of Mr. Salisbury. On 6 August, as I have already indicated, in the Address in Reply debate (and if I have to remind the Leader again I will do so) he

said:

> Let us look at the Government's approach to the release of reports.

He went on to say:

> On 9 August 1978 a no-confidence motion was moved in the House of Assembly (the Liberals were prone to moving no-confidence motions), as follows:
>
> > That, in view of the Government's continued failure to provide adequate information and its suppression of reports vital to the public interest, this House condemns the Government for its secretive attitude towards the Parliament and taxpayers of South Australia and, no longer having confidence, calls upon it to resign.
>
> What was the argumentation in that motion of no confidence put forward by Mr. Tonkin? He said:
>
> > However, the Government is still continuing with its present policy. It seems to be determined to keep away from the people of this State any material that is adverse to its own attitude and its own policy stand.
>
> Further, he said:
>
> > How can members of the public ever be expected to know the facts or to make proper judgments, if the Government continues to keep information from them and treats them as mindless illiterates?
>
> What is the Government's attitude to the release of reports in its short 11 months in office? Clearly dismal! We have the report (so-called) from the Attorney-General on the Ceruto statement and the Salisbury Royal Commission. The Attorney-General said that he cannot be bothered to prepare it . . .

I may interpose that I did not say that. The Hon. Mr. Sumner continued:

> . . . as he is too busy in his department.

The Hon. Mr. Sumner went on to talk about the Norwood electoral roll irregularities and various other reports. The further context in which that appears is quite explicit in indicating that the Government was under criticism for not having released various reports. On cannot go very much further than that. There was criticism of the Government. The Government's record on the release of reports generally is very much better than that of the previous Government. Only last week we released the Stewart Report, which includes the Cassidy Report.

Last week we released the Deregulation Report which was particularly critical of Government administration. There are any number of other reports which have been tabled and which I predict, if the previous Government had been in office, would not have been tabled.

The Hon. C. J. SUMNER: Would the Attorney-General say whether I asked the following questions in this Council on the Salisbury dismissal? First, was my question on 3 June 1980 as follows:

> Has the Attorney-General completed his inquiry into the Salisbury dismissal, which was announced during the Norwood by-election, and, if so, what is the result of that inquiry and, in particular, does the Government intend to take any further action?

Secondly, was my question on 5 August as follows:

> Has the Attorney-General completed his report on the statements made by Mr. Ceruto when relaunching *It's Grossly Improper* on 4 February 1980? If not, when is it anticipated that the report will be completed? Does the Government have any intention of reopening the question of the dismissal of former Police Commissioner, Mr. Salisbury?

Thirdly, was my question last Thursday 18 September as follows:

> Have the inquiry and report on certain aspects of the Salisbury Royal Commission ordered by the Premier on 5 February been completed? Is the report to be made public and, if so, when? Further, was it intended to release the report today and, if so, why has the Government changed its mind? Finally, what are the Government's intentions generally in this matter?

In those three questions that I asked in this Council on this matter, is there any call for tabling the report?

The Hon. K. T. GRIFFIN: By his own admission the Leader of the Opposition said that on Thursday last week he asked: is the report to be made public? I have indicated that, if one looks at the questions asked, the statements made leading up to those questions, and the context in which they appear, one sees that the Opposition has been persistent in its criticism of the Government for not releasing reports. It is on that basis that the decision which has resulted in the tabling of the report has been taken.

KANGAROO ISLAND SOLDIER SETTLERS

The Hon. B. A. CHATTERTON: I seek leave to make a brief explanation prior to asking the Minister of Local Government, representing the Minister of Lands, a question on the Johnson appeal.

Leave granted.

The Hon. B. A. CHATTERTON: In the Supreme Court this morning a judgment was given on the appeal of Mr. Johnson against the State of South Australia. The appeal by the State Government was dismissed in the judgment given this morning, but the damages awarded to Mr. Johnson under the original hearing of the case by Justice Zelling were reduced, so that the net amount that Mr. Johnson, the Kangaroo Island settler, gets, instead of $96 613·63, has now been reduced to $88 539 and he still keeps the 63c. The counter claim which Mr. Johnson made, concerning the debt incurred by him to the Lands Department, was dismissed by the Supreme Court in its judgment; the court says that it was only faintly argued. The debt was one that he owed to the Lands Department. Many settlers were under the impression that that debt was wiped off when their leases were taken over by the department and they were evicted from their properties.

In fact, there are some answers to questions in the Commonwealth Parliament from the Federal Minister for Primary Industry that confirm the fact that the debt was wiped off when those leases were taken back by the Government. Many settlers on the island are very concerned and have been awaiting this judgment to ascertain their position. If the situation is that those debts that they believed were wiped off are in fact latent debts, they are in a difficult position.

Will the Minister of Lands say exactly what the position is of the other settlers on Kangaroo Island who lost their properties and thought that their debts had been wiped off but now apparently, according to the judgment given in the Supreme Court today, that is not the case? Will the Government pursue the settlers for the recovery of the debts? In addition, the judgment in the appeal today seemed to clear away any impediment that the Minister has in releasing another report, the Kangaroo Island Land Management Study, which he claimed he was withholding because it could influence the case. Will that report now be released?

The Hon. C. M. HILL: I will refer all those points to the Miniser of Lands in another place and bring back a reply on the whole series of events, many of which stretch back into the term of the previous Government.

PETROL

The Hon. R. C. DeGARIS: Has the Minister of

Consumer Affairs a reply to my question of 6 August regarding petrol supplies in the South-East?

The Hon. J. C. BURDETT: The effect of the Commonwealth Government's subsidy scheme is to ensure that freight charges for petrol do not exceed 0·44c per litre approximately. By way of illustration, the subsidised freight differentials for three South-East centres are as follows: Mount Gambier 0·47c per litre; Naracoorte 0·45c per litre; and Millicent 0·42c per litre. These freight charges are, in fact, as high (give or take a few hundredths of a cent) as any, not because of the cost of freight but because of the subsidy scheme.

Thus, as far as freight charges are concerned, there is no reason why petrol should be any cheaper in the South-East than elsewhere. Just as an example, the net freight charge, after subsidy, to Andamooka Opal Fields is 0·47c, the same as Mount Gambier. As a result, the proximity of a centre to a fuel source is of relevance only when the full freight charge is less than 0·44 cents per litre. Port Pirie is an example of this.

The Hon. FRANK BLEVINS: Has the Minister of Consumer Affairs a reply to my question of 6 August about the petrol price equalisation scheme?

The Hon. J. C. BURDETT: I am informed that the present Commonwealth subsidy scheme is, broadly speaking, similar to the previous price equalisation scheme, and, in particular, that it operates to ensure that freight charges do not exceed a certain level just as did the previous scheme. Consequently there is nothing for this Government to persuade the Commonwealth Government about in this regard.

I might add that circumstances now differ from those when the previous scheme operated. The main difference is extensive discounting at both wholesale and retail levels in metropolitan areas throughout Australia. The previous scheme would have been no more successful than the present scheme in equalising prices, because both schemes relate only to the freight charge, and cannot, by their nature, reduce price differences caused by other factors.

OVERSEAS ORDERS

The Hon. N. K. FOSTER: Has the Minister of Community Welfare a reply to my question of 26 August on overseas orders?

The Hon. J. C. BURDETT: I am advised by my colleague the Minister of Agriculture that, unless the honourable member can provide the Minister of Agriculture with a distinct picture of any detrimental effect which Mr. Anthony's actions may have on farming, the Minister can see no relevance in the request in as far as the matter bears upon his portfolio responsibilities.

ABORTION STATISTICS

The Hon. ANNE LEVY: I seek leave to make a brief statement before asking the Minister of Community Welfare, representing the Minister of Health, a question regarding abortion statistics.

Leave granted.

The Hon. ANNE LEVY: I feel that I must bore the Council with a brief resume of dates on which I have asked this question. In October 1979, I asked whether I could get from the Minister information on the number of abortions performed in certain hospitals in South Australia, as this information was now being collected by the Minister of Health as from 1 July 1979. In November 1979, I received the reply that I would have to wait until the Mallen Committee Report came out.

I put a further case to the Minister in November 1979 and, in January 1980, received a reply that I would have to wait for statistics on the number of abortions performed in individual hospitals until the Mallen Committee Report was tabled. On 26 August, I asked whether I could have these statistics, as the Minister was quoting them in public speeches outside this House.

Last Wednesday, I received a reply that the abortion statistics for 1979 were contained in the tenth Mallen Committee Report and that they would not be made available before the report was tabled in Parliament. That report was tabled in the Council today, and it contains no information whatsoever on the number of abortions performed in different hospitals.

I feel in these circumstances that the Minister has been misleading me in questions that I have asked over an 11-month period. As the Mallen Committee Report has been tabled but does not contain the information that I have been requesting, will the Minister please provide me with the information on how many terminations have been done at the Queen Victoria, Queen Elizabeth, Royal Adelaide and Modbury Hospitals, as well as at Flinders Medical Centre, for the period of the year covered by the Mallen Committee Report?

The Hon. J. C. BURDETT: I will refer the honourable member's question to my colleague and bring back a reply.

NURSERIES

The Hon. N. K. FOSTER: Will the Attorney-General say how many Government-operated nurseries with public resale outlets are in South Australia?

The Hon. K. T. GRIFFIN: I do not have that information at my fingertips. However, I will make inquiries and bring back a report.

The Hon. N. K. FOSTER: Can the Attorney say how many privately-owned nurseries there are in South Australia?

The Hon. K. T. GRIFFIN: I will have inquiries made.

CLEANERS

The Hon. G. L. BRUCE: Has the Minister of Community Welfare, representing the Minister of Public Works, a reply to the question I asked on 13 August regarding cleaners?

The Hon. J. C. BURDETT: I am advised by my colleague the Minister of Public Works that the Government has entered into an agreement with the A.G.W.A. to jointly examine all areas of Government office cleaning undertaken by weekly-paid labour, with the aim of reducing the costs of that cleaning to those which would be applicable if it were undertaken by contract.

In the meantime, the decision to let any areas to contract has been suspended. Therefore, those weekly-paid cleaners currently employed by the Government who were transferred from the Magistrates Court building have now been returned to that building to undertake cleaning.

PETROL

The Hon. G. L. BRUCE: Has the Minister of Community Welfare a reply to the question I asked on 6 August regarding petrol pricing differentials?

The Hon. J. C. BURDETT: As the reply, which I have

already provided to the honourable member, is a long one, I seek leave to have it inserted in *Hansard* without my reading it.

Leave granted.

Reply to Question

The difference between city and country prices stems from three factors. First, there is the freight component. This is limited to a maximum of approximately 0·44c per litre by means of the Commonwealth subsidy scheme. Secondly, there is variation in wholesale prices due to discounts, often referred to as "rebates" or "dealer support", granted by the oil companies to selected dealers who are mostly located in competitive city areas. Thirdly, there are frequently differences in retail margins between, for example, high volume city sites and low volume country locations. The combined effect of these factors accounts for variations of up to 10c per litre between lowest Adelaide prices and highest country prices.

The Government has repeatedly supported implementation of the Fife package, of which one component is the elimination of wholesale price discrimination, which of course is partly the origin of the second factor mentioned above. A second Commonwealth initiative that is especially relevant in this context is the call on the Prices Justification Tribunal to examine the extent of retailing costs included in the wholesale price. If successful, this will expose any element of cross-subsidisation in prices, and, if reflected in decisions of the tribunal, may assist in equalisation of wholesale prices.

The remaining source, differences in retail margins, is a separate matter. City retailers selling at prices around 30c per litre are receiving very small margins per litre, and these margins would simply not be viable for most country resellers selling far smaller volumes. It would be a simple administrative step to fix maximum margins at, say, 3c or 4c per litre, but the Government is convinced that this would seriously threaten the viability of many country resellers, and would probably lead to some closures, with availability problems for consumers. Forcing small country resellers to match prices offered by high volume sites would be like forcing corner stores to match supermarket prices.

At present, the Government is maintaining detailed survey information on petrol prices throughout the State, and intends to review the matter once the effects of the Commonwealth Government's moves have filtered through. It is considered premature to take local action in the face of significant moves at the national level.

LEAVE OF ABSENCE: HON. J. E. DUNFORD

The Hon. FRANK BLEVINS: I move:

That one month's leave of absence be granted to the Hon. J. E. Dunford on account of absence overseas.

Motion carried.

THE SOUTH AUSTRALIAN GAS COMPANY'S ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 18 September. Page 924.)

The Hon. B. A. CHATTERTON: I support this Bill, which the Opposition believes is an important piece of legislation. It is surprising that the Liberal Government does not consider it to be so important. In fact, the Government has been extraordinarily coy about the whole operation. Some days ago, on 15 September, the Liberal Party put a full-page advertisement in the *Advertiser* in which it put forward a whole list of what it claimed to be achievements of the past 12 months. That advertisement contained some extraordinary claims, including the curtailment of the Land Commission's operations, which, as the Hon. Mr. Cornwall has explained, is not true at all.

Although there were a number of other things in the list, there was, surprisingly, nothing at all about the Gas Company take-over. The remarks made by the Minister of Mines and Energy are equally surprising. He has kept claiming that it was not really a take-over, anyway, and, besides that, it was a public utility. The Minister seemed to be mumbling the words "public utility" all the time, as if that was the reason for the take-over. It is surprising that the Gas Company has operated effectively as a public utility for more than 100 years and that it has never been necessary to take it over.

However, the Hon. Mr. Laidlaw, when he spoke in the debate, was quite honest about the matter and gave a straightforward account of the reasons behind the take-over and the Government motives for so doing. The honourable member explained that the South Australian Gas Company holds 51 per cent of the voting shares in South Australian Oil and Gas, which in turn has an 18 per cent share of the Cooper Basin, the proportion held by the Federal Government in the past.

Now we have a situation, therefore, where the Minister has control over the State Government Insurance Commission, and under this legislation it will have control over the South Australian Gas Company, which will have control over South Australian Oil and Gas, which in turn controls 18 per cent of the Cooper Basin. It is quite a long and tortuous path of shareholdings and control. Speculation in Gas Company shares made the Government decide to move in and take over effective control of the South Australian Gas Company.

It is interesting to look at that speculation in more detail. It has operated in this way because people have looked at the value of the Cooper Basin and the 18 per cent shareholding in it by S.A.O.G. Investors have valued that 18 per cent at $270 000 000 and, by a series of calculations, they have translated that value back to Sagasco shares which they have estimated to be worth, on an asset basis, about $60 each.

That sort of thinking soon sparked off a number of people to speculate in Sagasco shares, which rose to over $7. It is interesting that there was not any simple way that the asset value of $60 a share, which was a hypothetical value determined by a number of financial writers, could be translated back to Sagasco shareholders. To get anything like that value or dividend there would have had to be changes in the legislation or substantial changes in the structure of Sagasco.

It is interesting that people who were prepared to speculate at about $7 a share were obviously doing so under the assumption that the speculation and pressure that could be put by shareholders on the Government could somehow lead to an alteration in the Act and allow them to get at this asset value. It is interesting that they could have believed that that was possible. Obviously, they looked at the sort of rhetoric put out by the present Government when it was in Opposition. They believed that it would fulfil that sort of rhetoric and they expected that their speculative pressures could lead to a real return on their shareholdings.

Returning to the chain of command that we now have, where the Minister controls 18 per cent of the Cooper Basin through the elaborate series of shareholdings that this Bill completes, one point should not be lost sight of when it is claimed that now the people of South Australia control over 18 per cent of the Cooper Basin. Honourable members should not lose sight of the fact that the Cooper Basin really belongs to the people of Australia and, in fact, we are trying to regain control over some portion of the basin that really belongs to us anyway.

The situation where we in Australia have allowed our natural resources to be taken over by people who do not necessarily have the interests of Australia at heart was brought home to me last year when the Santos legislation was first being mooted. I was then in Algeria and was telephoned by the Premier on a number of matters. He stated that it might be necessary to introduce legislation to prevent the takeover of Santos. When I explained to people in Algeria that I might have to return to South Australia before I completed my tour of Algeria, I also explained the reasons for that situation. They were surprised that any country could have allowed its natural resources, particularly resources such as oil and gas, to be taken over in such a way that the Government was now trying to regain control of them.

One of the first things Algeria did when it became independent of colonial rule was to ensure that it had command over its own resources. Perhaps it is because Australia did not have to fight for its independence, like a number of other countries, that we do not really give so much regard to sovereignty of our own resources.

I am sure that in the long term we will realise this and that we will be adopting policies such as those that the oil producing countries have now. Those policies ensure that their oil and gas resources truly belong to the people of those countries and are not exploited by large overseas companies, as in the past.

Of course, people here can argue that, unless we give extraordinarily generous terms to companies to explore for oil and give assurances that they will be able to make large profits from them, we will not get anyone to undertake exploration, and we will not have anyone exploring and looking for our oil and gas resources. That argument has been shown to be fallacious in many parts of the world.

Only last night on the television news I saw that BP was exploring in off-shore waters near China, yet it is doing so without any assurance that it will be given complete control over any resources that it might find.

This important Bill is supported by the Opposition. We will be moving some small amendments to it but, essentially, it is a Bill that we believe is important to the people of South Australia in order to protect the 18 per cent share that we have in the Cooper Basin and to prevent it from becoming a source of speculation. True, we are disappointed that the people do not have a bigger share than 18 per cent of the Cooper Basin. It is important to us and it is important to the industries of South Austrlia that we retain that interest. I support the Bill.

The Hon. L. H. DAVIS: I also support the Bill. Many of the matters that are germane to the discussion on this Bill have already been well covered by the Hon. Mr. Laidlaw, but there are some matters that may be of interest to members in order to put this important and controversial measure in some perspective. The fact is that the South Australian Gas Company is, as has already been stated, a public utility, although it is a private company.

Although it is listed on the Stock Exchange, the fact is that it is a public utility and operates under slightly different rules and with some slightly different objectives. That is seen when one looks at the most recently published financial statement of that company, that is, the financial statement for the year ended 30 June 1979. If one extracts some of the relevant figures one sees that the profit for the year ended 30 June 1979 was $524 000. In the preceding year ended 30 June 1978 the profit was $481 000.

Going further, honourable members may think that those are respectable profits but, if one takes the whole of the operations of the Gas Company into account, one quickly sees that, in fact, the company's trading operations run at a loss because, in the two years that I am examining (in 1978-79), the company earned from investments interest of $1 017 927.

Investments in that year, at balance date, were $8 540 000, invested, presumably, in short-term deposits. In the preceding year, 1977-78, income earned from investments of $7 994 000 was $828 132. Therefore, if one takes into account the interest earned from investments by the Gas Company, and deducts it from the net profit figure, one sees that in 1978-79 there was, in fact, a loss on trading operations by the Gas Company of some $500 000, and losses approximating $340 000 in 1977-78.

I should say that it is quite prudent and not at all irregular for the Gas Company to have a buffer of surplus funds which are invested in secure places for contingencies, capital works and working capital. Those results, when stripped of the investment income, underline the argument I think being agreed to by all sides in this important debate; that it is an essential public utility and, therefore, the price of gas and the profits reflect this.

The price of gas at the Adelaide gate is approximately 70c per million b.t.u.'s. The price at the Melbourne gate, although it has never been officially stated (but I understand is not being denied), because the Esso-B.H.P. oilfield is closer than the gas fields of South Australia, is something less than half of what is paid here—approximately 34c a million b.t.u.'s.

The Hon. B. A. Chatterton: What is the Queensland price?

The Hon. L. H. DAVIS: As far as I can gather, gas tariffs around Australia are as follows: the Melbourne domestic tariff is such that, on average, a householder pays perhaps $2 to $3 less per house bill bi-monthly. If one could draw a line through the varying tariffs and rates charged, one might say that Melbourne prices appear in the domestic area to be, on average, 10 per cent lower than Adelaide prices. However, Sydney's domestic prices are 40 per cent higher than Adelaide's prices. Brisbane appears to be markedly lower than Sydney but far higher than Adelaide. So far as I can ascertain, and without being too precise on this, it appears that Perth ranks significantly higher than Adelaide, but not as high as Sydney.

The same is true in the industrial area, although large companies, members will appreciate, individually negotiate tariffs, and the figure charged is not known. Again, however, the same pattern apparently emerges, that Sydney is significantly higher than Adelaide, but perhaps not quite as high as the 40 per cent higher I quoted for domestic tariffs. Brisbane would be marginally lower than Sydney, as with domestic tariffs.

I mention these matters because I think it is pertinent to say that the legislation passed by the previous Government with the support of the then Liberal Opposition was seeking to restrict voting rights to no more than 5 per cent of issued capital. The amendment to the Act stated:

> No shareholder, and no group of associated shareholders, of the company is entitled to hold more than five per centum, or such greater percentage as may be prescribed, of the shares of the company.

The fact is that there has been an apparent lack of compliance with the Act, which was passed in 1979. Although no-one can be precise, it appears that one or more groups hold individually, or together, a figure well in excess of 20 per cent of the total shares in the Gas Company.

When one remembers that the Gas Company has on issue only 1 900 000 shares, it can be seen quite readily that, if those shares that have been acquired by unknown people are registered in individual names, there is every prospect that at an annual general meeting of the Gas Company the positions of directors on that board would be under threat, and control of the Gas Company, in time, could be under attack for the simple reason that voting by shareholders can mean power and effective control if numbers are sufficient. That, of course, is the background to this Bill.

It is relevant to talk about gas tarrifs, therefore, because obviously, if private interests gain control of the Gas Company, they would be seeking to make profits which, almost certainly, would be over and above the profits already made by the Gas Company and which may be contrary to public interest. In that sense, I think there is a strong argument for the legislation.

I think, also, it could be said quite categorically that there is no other State Government in Australia that would countenance what has been happening in the South Australian Gas Company, allowing effective control of a public utility to slip away by persons using means contrary to what is specifically required in the Act—that no one shareholder should control more than 5 per cent of the company's shares. I think it is interesting, and perhaps disappointing, that the media has not seen fit to comment on the fact that there are commercial interests in this community that are quite prepared to openly (and perhaps in this case covertly) undermine the requirements of the South Australian Gas Company, yet those same interests will be very critical of a Government which seeks to protect the public interest. As has been seen recently in the battle for Brisbane's second gas utility, Allgas Energy Limited, and the attempts by Boral to seek the board room control, and as has been seen in other States, these energy utilities are seen as ranking differently.

I would also like to comment briefly on the role of the S.G.I.C., which has been used as an instrument to hold these shares and so have effective control of the Gas Company.

The Hon. Frank Blevins: Do you support the S.G.I.C.?

The Hon. L. H. DAVIS: I do support the S.G.I.C.

The Hon. Frank Blevins: Did you support its setting up?

The Hon. L. H. DAVIS: I supported its setting up. The Hon. Mr. Blevins raises a matter which is an old chestnut and which belongs to a decade now past, because all States have State Government insurance commissions, which invest in fixed interest securities, including State and Commonwealth securities, and which invest, in many cases, in equity shares. I suspect that there is general agreement by all parties on the operation of a State Government insurance commission alongside private competitors.

The Hon. Frank Blevins: There wasn't always.

The Hon. L. H. DAVIS: I agree. I could, if it were not to waste the time of the Council, reflect on a few matters in the Labor Party which were not always, either.

The South Australian Gas Company will be issuing shares to S.G.I.C. As the Hon. Mr. Laidlaw has pointed out, the previous Government provided the company with effective control of S.A.O.G. and the 51 per cent interest in S.A.O.G. was acquired by the South Australian Gas Company for only $25 000. That makes the South Australian Gas Company's share significant and out of all proportion to what was paid, because that $25 000 was a token, a fiction, if you like. One only has to look at S.G.I.C., when I am sure one would see that it has invested millions of dollars of loan funds in S.A.O.G. but has not got equity capital. This Bill tries to correct an anomaly created by the decision of the previous Labor Government which made the Gas Company an owner of S.A.O.G.

The Hon. M. B. Cameron: It was a mistake.

The Hon. L. H. DAVIS: It was, but I would not feel strongly about condemning the Labor Government for that. It is easy to see with the benefit of hindsight but it was unfortunate that the mistake occurred, and it should be corrected. I disagree entirely with those people who think that the interests of the shareholders are not being protected. As the Hon. Mr. Laidlaw has said, the shareholders have not put a scrap of money into it. It has been funded by S.A.O.G.'s exploration programme and by the gas consumers, so there is no argument on that score, nor is there any argument that shareholders are disadvantaged by this legislation.

People had two warnings from the Minister of Mines and Energy (Hon. E. R. Goldsworthy), and the South Australian Gas Company report, presented at the annual general meeting on 29 September last year, shows that the Chairman of the Gas Company (Mr. Bruce Macklin) referred to the role of the Gas Company. He said:

> Your company is a public company but, because it is also a public utility, its operations are strictly controlled by the Government under the terms of the South Australian Gas Act.
>
> Because of the special nature of our operations, the former Government took an intense interest in the raid on our shares early in 1979 and introduced an amendment to the principal Act. Part of these amendments stated:
>
> > No shareholder, and no group of associated shareholders, of the company is entitled to hold more than five per centum, or such greater percentage as may be prescribed, of the shares of the company.
>
> Following the enactment of this legislation turnover in our shares gradually returned to normal levels, and price. However, the price of our shares on the market has risen once again and at the time of writing is just over 80 cents.

Of course, the subsequent raid saw the shares reach $8. Mr. Macklin's report continues:

> Your board knows of no reason why South Australian Gas Company shares have shown this marked increase in price. In case members of the public might be tempted to speculate in our shares because of the increasingly important part the company is playing in the State's energy supply, I will take this opportunity to make them aware of some of the restraints under which the company operates.

He mentioned some of those restraints as to dividend and price of gas, and continued:

> Notice has been drawn in certain quarters to the company's 51 per cent stake in S.A. Oil and Gas Corporation Pty. Ltd. However, this does not carry with it overriding powers of decision about any possible future oil or gas strikes in the Cooper Basin or elsewhere. The South Australian Government, although a minority shareholder, through the involvement of the Pipelines Authority of S.A., holds voting control in the S.A. Oil and Gas Corporation and hence has the final power of decision making.
>
> Your company is a private-enterprise company, but it has never lost sight of the fact that it is also a public utility. Its prime motive is to give the best service at the best possible price, whilst still providing its shareholders with a fair return on their investment.

Unfortunately, that has not been observed by people who

seek to speculate in Gas Company shares. They represent only a handful of people who, I repeat, have not the public interest at heart. I think it important to move to restrict this speculation and take a public utility out of the hands of speculators. This proposal will give S.G.I.C. effective control and at the same time keep the Gas Company in a unique position.

The Hon. K. L. MILNE: I am very concerned about this Bill. I think that both Governments have done just about everything wrong that they could have done. We were told during the debate that what is being done does not alter the framework. However, it does. It changes the power base entirely. I do not think the Government has faced the music. I will read a quotation that the Premier put in his policy speech when he was Leader of the Opposition before the election last year, when he quoted Margaret Thatcher, Prime Minister of Britain, as follows:

> As Margaret Thatcher so wisely said, the best thing Government can do for business is to get out of its way. We will not establish Government enterprises in competition with existing businesses. We will not nationalise companies or threaten to repudiate contracts.

He was saying that this Government would not nationalise companies or threaten to repudiate contracts. Then, less than 12 months after coming to office, the Liberals have done both things, because this is tantamount to nationalisation, as the Labor Party has said.

The Hon. Frank Blevins: A pretty cheap way to go about it, too.

The Hon. K. L. MILNE: Yes. New section 26 provides that the company is not liable for loss or damage resulting from the cutting off or the failure of the supply of gas to any premises. I do not know why that should have been sneaked into the Bill. If the company is a public company in private enterprise, it should have the normal responsibilities of any other company.

The Hon. M. B. Cameron: What other private company is controlled by Act of Parliament?

The Hon. K. L. MILNE: That would not matter. It is now getting out of the obligations that any other company treating with the consumer has. In other words, this is an immunity from action if something goes wrong. No other company gets immunity from that. The Government has taken control of this vast enterprise by the issue of 20 000 shares to S.G.I.C. for $7, with the voting power of 100 votes for each share.

What sort of distortion of the limited liability system is that? That system has been the bulwark of Britain and the Western world, and this is a thorough distortion of what the system was meant to be, as everyone knows. Control of a vast enterprise like this is being taken for $140 000. I know that the Government is not looking for benefit, but it has taken control by the most dreadful distortion of what is meant by a limited liability.

The Hon. Frank Blevins: What do you think the Liberals would have said if we had introduced such a Bill?

The Hon. K. L. MILNE: They would have gone off their head. The Government is doing exactly what the Labor Party wants and, when the Labor Party comes back to office, this precedent will be quoted to it on the basis that it can be done with any company. The Labor Party will say, "You did it with the Gas Company," and there will be no answer to that that any Government can give.

Members interjecting:

The Hon. K. L. MILNE: E.T.S.A. involves a different situation. At the time, the Premier did the thing tidily. The Government is paying the S.G.I.C. for these shares and is now using this as a vehicle.

The Hon. R. C. DeGaris: That's not quite true.

The Hon. K. L. MILNE: The Government certainly did oppose the S.G.I.C.

The Hon. Frank Blevins: They weren't really happy with it.

The Hon. K. L. MILNE: That is a nice way of putting it. I do not think that people have understood what investments or organisations like S.G.I.C. are for. It may not matter very much that S.G.I.C. has bought its own shares, but it has been told to buy them, and it will not be a profitable investment.

The Hon. L. H. Davis: You can't say that.

The Hon. K. L. MILNE: Not if your Bill is carried.

The Hon. L. H. Davis: It does not say that it must be a profitable investment.

The Hon. K. L. MILNE: They were bought as shares—what must they be? What kind of investment will that be for S.G.I.C.? We have to remember that the investment of an insurance commission is for the purpose of paying claims, and does not simply involve making profits or trading on the Stock Exchange. It has to put its money somewhere, because it has to pay enormous amounts in claims. S.G.I.C. is the only insurer in connection with compulsory third party property bodily injury, claims which run into millions of dollars, often involving a payment above $500 000 on one claim. It cannot afford to put any of its money in a place that is not going to keep pace with inflation, and it is going to have trouble paying those claims, in any case.

I believe that doing this through S.G.I.C. is highly improper. There is the Stock Exchange. The distortion of the Companies Act in the form contemplated here is not acceptable to the Stock Exchange, and it will have to change its requirements to fit in with this distortion.

The Hon. D. H. Laidlaw: What about Australian Gaslight and all other gas companies?

The Hon. K. L. MILNE: What about them?

The Hon. D. H. Laidlaw: They have voting powers.

The Hon. K. L. MILNE: That is what is going to happen as a result of the muddle the Government is getting into and all the complications that will arise. S.G.I.C. shares will not be quoted on the Stock Exchange. It will be nice to have some shares that will be quoted and some that will not!

The Hon. D. H. Laidlaw: There are dozens of companies like that.

The Hon. K. L. MILNE: The Hon. Mr. Laidlaw has his viewpoint, and I congratulate him on his speech, which was well informed and made in all honesty. He went to much trouble to explain the situation to me. However, what the Government is trying to do is retain a public company in the private enterprise system, and it wants to control it as well. Its excuse is to protect it.

The Hon. R. C. DeGaris: What would you do about it?

The Hon. K. L. MILNE: I will come to that. I think that it is clumsy and complicated. The proper course to take naturally would have been to nationalise the company and make it a statutory authority. That is what the Government should have done.

Members interjecting:

The Hon. K. L. MILNE: I blame the Labor Government for not doing that. It could have done it for $1 a share.

The Hon. M. B. Cameron: A bit more than that.

The Hon. K. L. MILNE: The Hon. Mr. Laidlaw is quoting $86. I believe that the Labor Government, having got interested in company law and development, rather enjoyed this Gas Company business. It was dealing in something in which it had very little experience.

The Hon. M. B. Cameron: So, you want us to nationalise it now?

The Hon. K. L. MILNE: What the Labor Government

did was foolish in the extreme. First, issuing 51 per cent of shares for $25 000 in South Australian Oil and Gas was lunacy and has brought on many of these complications. The clever investors could see that those shares, because of their improvement value, would themselves have to change in value. Also, I believe it was a great mistake to raise money for South Australian Oil and Gas by a levy on the consumer of 3c per gigajoule. It seems that the shareholders of the Gas Company were given shares in South Australian Oil and Gas, and any shrewd investor could see that these shares would increase in price. As the money has been taken from the levy into S.A.O.G., that is exactly what has happened.

I am not going to go through all the ramifications again, because we have been through it several times. Each one indicates what is to me a complete muddle and it should have been avoided. It is bad legislation, and two wrongs do not make a right. As everyone knows perfectly well, this is an exceptional kind of measure, and exceptions do not make good laws. It is clumsy, and people outside believe that it is hypocritical.

The Hon. J. C. Burdett: Would you like to nationalise it?

The Hon. K. L. MILNE: It should have been nationalised in the first place.

The Hon. M. B. Cameron: What do you do now?

The Hon. K. L. MILNE: It is too late now—we are in a muddle.

The Hon. R. C. DeGaris: What should we do now?

The Hon. K. L. MILNE: Well, we will see what the result of this is, because I might be alone. It will be a running sore in the side of both the Liberal Party and the Labor Party for many years to come, and I therefore oppose the Bill.

The Hon. N. K. FOSTER: I support the Bill—

The Hon. J C. Burdett: Hear, hear!

The Hon. N. K. FOSTER: —for somewhat different reasons than the gentleman who just said "Hear, hear!" It is a matter of little comfort to stand on his side of the Council when a little more than 12 months ago one was on the other side watching the convulsions of the member who will follow me in this debate when he was trying to find words to describe the so-called terrible things that the Labor Party was doing. He was so sure that the people in this Chamber were no longer prepared to support the then Government's view. I will never cease to be amazed at the way in which the Hon. Dick Geddes was treated when he took action on a similar measure: he received the worst possible treatment from a political Party that I have ever experienced, involving a measure that was used as a vehicle for this legislation.

The Hon. L. H. Davis interjecting:

The Hon. N. K. FOSTER: Will you shut up, Davis!

The PRESIDENT: Order! The Hon. Mr. Foster will resume his seat. If the Hon. Mr. Foster will take some notice of my calling him to order, I point out that the Hon. Mr. Davis does too much provoking of Mr. Foster, and the Hon. Mr. Foster takes too much notice of Mr. Davis. I will handle the situation in my way.

The Hon. N. K. FOSTER: How can I stand here listening to his mutterings all day and say nothing? I do not go along with that reasoning. The honourable member wrote a letter to the *Advertiser* regarding the S.G.I.C. holding. He raved on about the commission's becoming the largest shareholder in Argo. However, the honourable member changed his mind regarding the legislation, which was introduced to protect the interests of the people of South Australia and to ensure that gas in South Australia would, to a large extent, be able to serve and be used by the people of this State.

The Hon. L. H. Davis: I never changed my mind.

The Hon. N. K. FOSTER: The honourable member did. In a magnificent reply by a member of the public (a Mr. Hood from Clarence Gardens), the Hon. Mr. Davis was shot down. So much for the honourable member, who likes to visit the Stock Exchange each morning before he comes to this place.

It is true (and I will repeat this statement, even though it has been said by an independent person) that the Labor Party did not go far enough in relation to this matter. It missed a golden opportunity. However, we now see the rascals manipulating the Stock Exchange. I refer to Mr. Bond and what he has done. The *Advertiser* put the figure involved at $140 000 000, which was achieved for nothing. Indeed, it was achieved by a manipulation of figures and short-term borrowing. That is what Mr. Bond got out of it, and that is when the State Government should have introduced legislation on the basis that, if it was not passed, the Government would go to the people. Had it done so, the Liberals would have been unheard of for the next 20 years.

Unfortunately, we stopped too short and considered the business ethics of the Stock Exchange, with which we should not concern ourselves. We considered too deeply the implications of monetary compensation rather than considering the interests of the people who own the wealth that is beneath the soil in this State. Honourable members will hear me more often referring to coal, Utah, and other companies, in this respect. The secret deals that have been done annoy me and should be aired in this place. Perhaps half a loaf is better in some circumstances than a full loaf, but that does not necessarily mean that, by accepting half a loaf, one is expecting to grab the full loaf as soon as one can.

I am not suggesting that everything should be nationalised, because that is not the Labor Party's policy, either in this State or federally. This applies only when there is a monetary control that is against the interests of the public. Such words are rarely used by Government members when they speak about Parties that are in opposition to it. So, let us not get too critical about the matter. At the same time, the Government should not be too complacent about its past record. Government members roundly condemned the State Government Insurance Commission and year after year put off its formation in this State. Government members, and indeed the *Advertiser*, referred to those concerned as being socialistic in the extreme and as being communistic.

The Hon. J. C. Burdett: But you opposed it.

The Hon. N. K. FOSTER: The Minister knows damn well that I did not, so he should keep quiet. The Minister did not support the commission's going into the life assurance field. However, he seems to think that the Opposition should bend over backwards when the Government uses funds derived by that body from the life assurance field. Government members cannot deny that.

Although I have no written notes, I refer to the letter sent to the *Advertiser* by the Hon. Mr. Davis and the reply thereto, which appeared in the *Advertiser* of Friday 5 September. It is interesting to see what it states about the Gas Company and the Government's meddling in the affairs of a company by instructing it to buy shares in John Martins. There is no comparison of what the Government considers to be its duty in relation to acquiring shares in an organisation over which it has no control and the forcing of a company to buy shares in a private firm such as John Martins. What has it done other than rob the people of this State? Its policy over the past 10 years has been to cut the work force. So, Government members should not get on

their high horse and say what they have done. I make the same criticism that I have made previously: that the measures do not go far enough. I do not agree with everything that the Hon. Mr. Milne said.

The Hon. L. H. Davis: He said that you did it.

The Hon. N. K. FOSTER: No, he did not; he said that we both did it. Tell the truth. I am not here to tell lies. I would not use the back of an axe to crack a peanut, although I might do so in certain circumstances in the interests of the people of this State.

The Hon. L. H. Davis: You didn't do a bad job over the past few years.

The Hon. N. K. FOSTER: I ask the honourable member to quote me one instance where the former Labor Government took upon itself a programme of socialisation. He could not refer to one instance. I support this Bill, which arrests a drift that is indeed dangerous in relation to the interests of gas consumers and the people of this State. Such a valuable resource may not be as plentiful as most members of the public, or indeed members of this place, think. An examination of the set-up brought about by stock exchanges, indiscriminate boards, and the infiltration of businesses leads me to believe that in about 1987 our share in this valuable field will be such that we will have to look for alternative energy sources.

The Hon. L. H. Davis: You'd have plenty of gas.

The Hon. N. K. FOSTER: If the honourable member was a user of gas other than in the domestic sense and if he had the responsibility of ensuring that this State's supplies were maintained, he would look closely at all the documents that have been prepared by Governments of both political persuasions. Then, he would see the inroads made by companies outside South Australia in this respect. Only a few days ago on 20 September a report indicated "Explorers call for gas price increase". The report states:

> Two exploration companies with Cooper Basin interests say higher gas prices are needed to help stimulate exploration activity in Australia.

All honourable members know where that type of language leads. It is that type of pulling the wool over one's eyes that is now being practised by Malcolm Fraser in regard to petrol pricing. People driving to work and company interests are paying beyond the pale for petrol.

The Hon. R. J. Ritson: Mr. Fraser's policy is sound.

The Hon. N. K. FOSTER: It is the good doctor who says that. The report continues:

> The acting chairman of Reef Oil N.L. and Basin Oil N.L. Mr. D. M. L. Tullock, told shareholders at the companies' annual meeting yesterday that the prices should be increased consistent with established world trends.

I hope that the Hon. Mr. Laidlaw will consider this matter, because the disease of world parity pricing is becoming ever imminent within the confines of the Liberal Party and its public servant policy-makers.

On a recent *Country Hour* programme reference was made to world parity pricing for stock feed and a monthly examination of stock feed prices overseas to ensure that South Australian stock feed prices increased accordingly. A dangerous precedent has been established in regard to world parity pricing. I see that the Hon. Mr. Laidlaw is nodding his head in agreement, that world parity pricing has now crept into stock feed and is now being openly referred to by Sagasco.

If the price of domestic gas in South Australia was increased to householders within the next 12 months and householders had to foot the bill, prices could jump by about 250 per cent in South Australia. Is it any wonder that one uses the measures in this Bill to air his concerns in Parliament, because these are serious concerns. What does this Bill do to protect consumers in South Australia from that type of inroad? Indeed, the influence of the Stock Exchange is often greater than the legislative powers of the Chamber.

What is more unfortunate is that legislators on the Government side at this time feel constrained to go only so far and no further. Perhaps this Bill may complicate matters if taken in parallel with parity pricing. If the Government starts to examine this Bill in relation to what it does and how easily it can be totally and absolutely destroyed by parity pricing, it will realise the correctness of what I am saying.

Honourable members will agree that this Bill will be destroyed if parity pricing comes anywhere near this State. Parity pricing was introduced not by legislative measure but through a round-table conference involving Malcolm Fraser and the oil companies. B.H.P. and B.P. were given $57 000 000 within three weeks, yet price parity had hardly been effected at the pumps.

Is it any surprise that within three months of the change one of the most highly productive wells in Bass Strait resumed production, although it had been written off 12 months before the parity pricing announcement? It was claimed they could get no more oil out of it, that the well was unprofitable. Within a matter of weeks of the $57 000 000 and the introduction of parity pricing, without this measure running the gauntlet of the Commonwealth Parliament, the well condemned by B.H.P. again became one of its best producers and continues to do so.

The Hon. B. A. Chatterton: It has been redefined!

The Hon. N. K. FOSTER: True. The reason why it was rediscovered was that the profit from it was to be recognised under parity pricing.

The Hon. L. H. Davis: What has that to do with the Bill?

The Hon. N. K. FOSTER: It has much to do with it. Many clauses relate to the price to the consumer. The whole purport of the Bill is to do with one thing. Even if we were in Committee I doubt that you, Mr. President, would rule me out of order as speaking outside the ambit of the Bill.

The Bill's purpose is to keep control in South Australia. It does not go far enough to do that or to keep consumer prices at a reasonable level. Why does not the Government include a clause to outlaw parity pricing in respect to what is paid for gas and oil overseas? Where is the Government's courage? Why does it not do that?

The Hon. M. B. Cameron interjecting:

The Hon. N. K. FOSTER: The Hon. Mr. Cameron will go crook when he goes to his local feed store and he will be upset if he has to pay a world parity price in a few months. I am sure the honourable member would be upset when he has to pay world parity price for petrol and, if he does not get upset, he must be a nut.

Members interjecting:

The PRESIDENT: Order!

The Hon. N. K. FOSTER: The Hon. Mr. Cameron, who I understand is to follow me in this debate, should explain why there should not be in this Bill a clause to outlaw parity pricing. The honourable member should ask the Minister of Mines and Energy why that Minister denied having any knowledge about what was happening in regard to the Stock Exchange and the business world in this city regarding Sagasco when, for over a fortnight, in the financial pages of the press were headlines such as, "Who is the mysterious buyer?"; "Who is doing this to our resources?"; and "Who is doing this to our domestic supply?" No-one seemed to know.

On being questioned about this matter, the Minister of Mines and Energy said that members were talking rubbish, yet a few days later he introduced this Bill.

Government members in this Council are fortunate that amongst their number they have a member who to some extent, but not all the way, has some integrity, that is, the Hon. Mr. Laidlaw, in respect to these matters. If honourable members took more notice of Mr. Laidlaw than the idiotic ramblings of other members, they would be in a much better position.

The Hon. Mr. Cameron need not indicate that, if I speak in this vein about the Hon. Mr. Laidlaw, he will have his throat cut. The power base of the Hon. Mr. Laidlaw in the Liberal Party is too great for that, but poor Dick Geddes, who was honest and who had the same views as the Hon. Mr. Laidlaw, how was he dealt with? The Liberals said, "We will go for that bludger, we will chop his head off, we will—

The Hon. L. H. Davis: Is this also relevant to the Bill?

The Hon. N. K. FOSTER: Yes. If I may respond further in respect of that matter, it is quite obvious from what I hear around this town that the Government's Bill does not go as far as Mr. Laidlaw has suggested to his Party it should go. I will leave Mr. Laidlaw to pick up the threads of that, if he so wishes.

The Hon. L. H. Davis: He has already spoken.

The Hon. N. K. FOSTER: I know he has spoken.

The Hon. L. H. Davis: He seemed pretty happy.

The Hon. D. H. Laidlaw: I am always happy.

The Hon. N. K. FOSTER: He says he's always happy.

The Hon. L. H. Davis: What are you on about then?

The Hon. N. K. FOSTER: I am not on about anything. Before the life of this Government runs out, members opposite will be crawling back in here to strengthen this legislation, if they are honest about wanting to protect the interests of the public of this State. I challenge members opposite who have not spoken in this debate (and the Minister has not spoken), if they have any honesty or any expression of real purpose, in the interests of the people of this State to get up and tell us that it is their intention to have the matter raised and a clause placed in this Bill that will protect the people from the pirates who are supporters of parity pricing.

The Hon. M. B. CAMERON: I do not think I have heard such a load of rubbish for a long time as I have just listened to from the Hon. Mr. Foster. He deliberately avoided the essence of the whole argument; that is, why we are in this present situation.

The Hon. J. C. Burdett: He didn't talk about the Bill, did he?

The Hon. M. B. CAMERON: Not once. He deliberately avoided doing that. The Hon. Mr. Foster attempted to avoid the reason why we are sitting here today debating a Bill of this sort. Everybody who was present in the Council at the time the Labor Government made alterations to the South Australian Gas Company's Act will know exactly what I am talking about. At that time, the Gas Company was under threat, according to the then Minister of Mines and Energy, Mr. Hudson, from a man named Brierley who had bought 10 per cent of the shares of the Gas Company and who it was feared was about to take it over. So we stepped in and did something about Mr. Brierley, who had been operating well within the law. We forced him to divest himself of his share, although I have heard that that has not happened.

At the time that that Bill was before the Council I indicated quite clearly that I thought it was a clumsy Bill, a device that would not work and was selective against one person. In fact, there has been some implied criticism of me because of the stand I later took on the Santos legislation. Let me make this point: I saw those two issues as totally separate issues. The Santos Company was a private company.

The Hon. N. K. Foster: I never mentioned Santos.

The Hon. M. B. CAMERON: The honourable member did not mention Santos, but he implied some matters relating to it. I will have something more to say about that in a moment. Santos is not a company directed by an Act of Parliament. At the time of the previous Bill I made the following statement in relation to the South Australian Gas Company:

> The Government therefore virtually controls the company. So why does the Government not take the next proper action, which would not be without precedent? A Liberal Government did the same kind of thing in regard to electricity supplies. It is normal for a public utility to take over the energy supplies for a city. I would support that, because it would be the proper action.

In other words, I offered my support at that time for the nationalisation of the South Australian Gas Company. That would have cost at that time, at the most and taking the asset value into account, $4 000 000.

The Hon. N. K. Foster: You want to re-do your arithmetic.

The Hon. M. B. CAMERON: There were 1 952 000 shares at that time with a market value of 82c. Those shares rose to 92c and went back to 64c. If one took the full asset value at that time, which was estimated at $2 a share, that comes to $4 000 000. I do not know whether honourable members want to dispute those figures now, but they certainly can. Why was that not done at that time? That would have been the most logical move, instead of having the Hon. Mr. Hudson, the Minister at that time, busy playing money games and manipulating around inside the Gas Company. He was acting with some advisers, I guess, but I believe those advisers seriously misguided him.

The Hon. B. A. Chatterton: We couldn't count on your vote.

The Hon. M. B. CAMERON: Honourable members opposite were told, and I told the honourable member quite clearly, that they would have my vote if they wanted to take it over. What the Hon. Mr. Milne is suggesting now is that, because other manipulations occurred within the Gas Company, including the sale of SAOG shares to the Gas Company for $25 000, we should now hand the people who have been dealing in Gas Company shares a further $10 000 000. And that might not be the end of it, because there is the potential that an argument could develop that that was not the true value of the shares and that any take-over bid could be built up by court action to $120 000 000.

For the investment of no funds at all we would be putting ourselves in a position of handing these speculators that amount of money. That is just not on, and it would not be on. Obviously the Hon. Mr. Milne is right; this is not the ideal way of rectifying the present situation, but it is the only way open to the Government that will involve the least possible cost to the taxpayer and will give the least possible opportunity for speculators to derive profits which they have not contributed to and which have arisen as a result of a very clumsy action by the previous Government. I accept that it has its problems, and it is a great pity we do not have a situation where this company is owned by the taxpayers of this State, but that is an irreversible situation, so I ask the Hon. Mr. Milne to give serious consideration to that before he casts his vote in this matter.

I turn now to the Hon. Mr. Foster's statements about the Santos legislation, and he did not, I admit, directly refer to it, but he certainly inferred that there were some problems with it. That was another clumsy move by the

previous Government. If the previous Government had bought the Burmah shares at the time they were available, then Mr. Bond, or anybody else associated with that company, would not have been in the position of making these huge capital gains, and the taxpayers of this State would have had some further control over their gas supplies.

Again, this was not a step taken by the previous Government. It failed to exercise what would have been, to my mind, a responsible move. So, with two mistakes, we have a situation where the previous Government put the gas users of this State in a vulnerable position for the future and one I find quite alarming. This Government is doing its best to rectify that situation. I urge members to support the Government in what is, I believe, a responsible move to try to rectify the damage done by the failure of the previous Government to act in a manner in which I believe any responsible Government should have acted. I urge members to support the legislation.

The Hon. R. C. DeGARIS: I do not wish to speak at length, because most points have been covered, but I wish to stress some matters. The South Australian Gas Company is a peculiar creature. It is a public company governed by Statute, with the dividends payable to the shareholders also governed by Statute. The shareholding capital is remarkably small for a company of the size of its operations.

A few years ago the previous Government decided to form a new public authority, the South Australian Oil and Gas Corporation, but, to allow maximum flexibility of operation of that corporation, decided to allot 51 per cent of the holding in that organisation to the Gas Company. The other 49 per cent was taken up by the Pipelines Authority, which, in itself, is a statutory authority.

This meant that SAOG could not be regarded as a statutory authority, because 51 per cent of ownership was in a public company, the Gas Company, which is really a public utility in the form of a public company. While there has been criticism of the attitude of the previous Government and how it approached this problem, I do not believe that that criticism is valid, because we must admit that there are advantages in using the Gas Company outside the restrictions that apply to a statutory authority for a public purpose.

One must admit that there are advantages in this situation. Because something has happened with which none of us agrees, I do not think it valid to criticise what a previous Government did and what it thought was in the best interests of the people. I support the concept of what has been undertaken. What I do see happening is that people who have no feeling for the economy of South Australia have used this structure for ends where they see that probably they can make a large capital gain at the expense of the consumers in South Australia.

The Hon. M. B. Cameron: It was left open.

The Hon. R. C. DeGARIS: Whether it was or not is not the question. With the best intentions, the previous Government and the Parliament undertook a certain structure, and that structure goes back to 1924, when the first Gas Company legislation was passed. The point was to have behind this organisation a statutory authority involved in the search for oil in South Australia. That has been remarkably successful. Everyone in this Council, and the previous Government, can take credit for the success of South Australian Oil and Gas Corporation.

To finance that search, a levy was applied to gas consumers, which include the Electricity Trust. The trust burns gas to generate electricity, so one can say that all in South Australia have contributed to the levy for the oil search in the Cooper Basin by SAOG. The finance for SAOG was raised from the energy consumers, and the corporation has been successful in the Cooper Basin. One could say that the actual value is between $200 000 000 and $400 000 000.

With the small capital of the Gas Company, raiders think it a fair bet that, with the company's 51 per cent ownership of SAOG, they can buy shares and get a large capital gain. I want to stress that these raiders have not contributed one cent to the cost of exploration in the Cooper Basin. I believe that it is the duty of this Parliament to protect those from whom it has forced a levy amounting to several millions of dollars to explore successfully in the Cooper Basin, because the only people who can protect those consumers are the members of the Parliament of South Australia.

There is no other protection for those people and, unless we protect them, we will be lacking in our Parliamentary duty. We owe no allegiance to company raiders from interstate, and for those reasons I supported the Bill proposed by the previous Government. I make no bones about that support. We believe now that the raiders have found a way through those amendments. That is not the fault of anyone and I offer no criticism of the previous Government or of those who supported that legislation. I have no difficulty in supporting this Government's proposals in the same way as I had no difficulty in the case of the previous Government's Bill.

This does not mean that I cannot find fault with the Government's proposals. I think that we all can. I accept the Hon. Mr. Milne's point that using S.G.I.C. for $7 a share is a point that we can all criticise and find something wrong about, but no-one here has come up with any other proposal that will, at this short notice, protect the interests of consumers who have been levied several millions of dollars to add to the exploration capacity in the Cooper Basin. I stress again that I support what the previous Government tried to do and what the present Government is trying to do. In coming to my next point, I believe that this Bill is a hybrid Bill and, under Standing Orders, should be referred to a Select Committee.

The Hon. J. C. Burdett: Does it relate to local government?

The Hon. R. C. DeGARIS: I may be able to deal with that. It deals with public local bodies and, in my opinion, the Gas Company is a public local body. I think that that must be seen. Standing Orders refer to "one or more municipal corporations, district councils, or public local bodies rather than municipal councils, district councils, or public local bodies generally". The Standing Order in the Council is different from that in the House of Assembly. If we use the Joint Standing Order, that applies, but our own Standing Order states:

> Bills of a hybrid nature introduced to the Council by the Government which—
>
> *(a)* have for their primary and chief object to promote the interests of one or more Municipal Corporations, District Councils, or public local bodies rather than those of Municipal Corporations, District Councils, or public local bodies generally . . .

We can argue about what "public local body" means.

The Hon. J. C. Burdett: There is a rule of interpretation.

The Hon. R. C. DeGARIS: Then, why has the Sagasco Bill always in the past, in the House of Assembly since 1924 up to the present time, been deemed a hybrid Bill and been referred to a Select Committee? I want to say on this matter also, as the Attorney-General has placed on the Notice Paper a notice of motion to suspend Standing Order 268, that only in the most urgent circumstances

should Parliament relinquish its obligation under Standing Orders to so refer such a Bill to a Select Committee. After long consideration I have decided that the Notice of Motion given by the Attorney-General should be supported in this case. I wish to make it quite clear that my view on this occasion should not be taken as a precedent.

The Hon. Frank Blevins: It will be.

The Hon. R. C. DeGARIS: It should not be taken as a precedent. I want to make this clear, because Standing Order 268 is not one of those Standing Orders that cannot be suspended. There are certain Standing Orders that cannot be suspended, but this is not one of them. It has been left to the discretion of Parliament as to whether or not that Standing Order should be suspended. Only in extreme circumstances would I support the suspension of that Standing Order. Because of the nature of this matter and what is happening in regard to Sagasco shares and also what could happen to the organisation of Sagasco if we do not pass this Bill, I believe that a strong case exists for suspension of that Standing Order in those circumstances. Unless we do suspend it and allow the passage of this Bill, certain things could happen in regard to Sagasco that we will all regret. I make the point strongly to the Council that in my opinion, in these circumstances, the facts of the matter are such that we should all give serious consideration to supporting the Attorney-General's notice of motion to suspend Standing Orders. I stress again that my support of that suspension must not be taken as a precedent in regard to this matter. I believe that the question is of such urgency that that should be done.

I come back to the main point that I want to make in this matter, and that is that the only recourse that the people of this State have for the protection of the money that they have put into Sagasco through a compulsory levy instituted by Parliament is Parliament itself. They are the people that we must be concerned with in this matter. I want to make a couple of replies to things that have been said. I support very strongly the initiative of the private sector in regard to the development of the wealth of this State. However, I believe that before one supports the private enterprise entrepreneur he must be seen to be able to contribute to the development of that wealth. Businesses that raid as pirates raid add nothing to the development of the general wealth of the community. Therefore, I have no hesitation in supporting this measure.

At the same time, it must not be taken that I support socialisation as a means to an end. I do not. I believe very strongly in the private sector, and it must be encouraged where it is prepared to go out and risk its capital in the development of the wealth of this State. No case can be made to support people who raid purely for capital gain and contribute nothing to the development of this State and add nothing in regard to money that is used for exploration of our natural resources and the development of those resources. That is a clear statement of my philosophy. I have always expressed that view, as members opposite would know if they listened more carefully. In regard to S.G.I.C. (and I agree with the Hon. Mr. Milne) one can take the point that the use of S.G.I.C. in this regard is subject to criticism. I do not know of any other way in which it can be done to the satisfaction of all concerned whilst preserving Sagasco as a means of supplying gas to the people of South Australia at the cheapest possible rate. I refer to S.G.I.C.

The Hon. C. J. Sumner: Did you vote for the S.G.I.C. Bill?

The Hon. R. C. DeGARIS: That is the point that I am coming to. Accusations have been made that we always opposed the S.G.I.C. Bill.

The Hon. Frank Blevins: Opposed the principle.

The Hon. R. C. DeGARIS: No. Let me make this clear so that the Council is aware of what went on. In 1965, when Mr. Walsh made his policy speech, he dealt with the question of introducing a Bill to the House to establish the State Government Insurance Office, which would establish an insurance business covering motor vehicle insurance and workers' compensation. That was the clear promise made in the policy speech. When the first S.G.I.C. Bill came down it had a full franchise covering all forms of insurance, including life assurance. The Legislative Council amended that Bill back to what the election promise was to the people of South Australia and the then Government did not proceed after that Bill was amended. So, at no stage in the S.G.I.C. saga did this Council adopt a measure other than that which was promised to the people of South Australia in a policy speech. I know that this has nothing to do with this Bill, but it has been mentioned and, for the sake of the record, it should be said at this stage.

I support the Bill, although I agree with some of the points made. Some points one could criticise. The matter is urgent and must be handled quickly. I hope that this time we may solve the problem of Sagasco. That company has a structure outside a statutory authority that we should strive to preserve because there are restrictions that apply to a statutory authority to which Sagasco is not subjected and which can be utilised to the benefit of all South Australians. I support the Bill.

The Hon. K. T. GRIFFIN (Attorney-General): I thank honourable members for the attention that they have given to the Bill and the indications of support which they have given in the Council. There is really very little on which I need to comment in my reply except to reiterate the view that the Government holds. It believes that, as an essential principle of government, support for the private sector is imperative. While in connection with the South Australian Gas Company there has been a decision taken by the Government reflected in this legislation which may, at first view, appear to remove the Gas Company from the private sector, it ought to be remembered that, in the day-to-day administration and its operations, it will be left unhindered by Government in undertaking the management of the provision of gas supplies and exploration in that area. It will retain an essential private enterprise flavour in its day-to-day operations and long-term policy decisions.

Honourable members on both sides have indicated that the Government's decision was a necessary one, keeping in mind that the Gas Company, through its gas reticulation operations and the production of l.p.g., was a vital basic energy industry to South Australia, and that, if its policies were dictated by interests that were not in sympathy with those of the South Australian business and private community, the whole fabric of South Australia's business and commercial activity as well as its private activity may well have been threatened.

South Australia relies heavily on the production of gas through the South Australian Gas Company to industry as well as to households and, for that to have been put at risk by the sort of pressures that became evident over a number of months, was, to the Liberal Government, something that it could not tolerate. For that reason, we moved to ensure that South Australia was not placed in that position of threat.

One can speculate, as other honourable members have done, as to the best way in which the Gas Company could be protected. The Government cannot support the proposition that the best way of protecting the Gas Company is to nationalise it. On the other hand, to have

done nothing other than retain a limit on shareholding in the Gas Company's Act with the inadequate protections afforded by the present legislation would not have achieved that result.

So, the Government decided that the requirements for the Gas Company to issue a certain number of class B shares to the State Government Insurance Commission, with those shares carrying certain voting rights, was the best way to ensure that there was adequate protection for the Gas Company and for South Australia's future.

The question of premium will undoubtedly be raised in Committee. However, it is important to recognise that the Government, in taking the decision to require the S.G.I.C. to issue a certain number of shares with special voting rights attached, was seeking to ensure that, so far as money is concerned, other Gas Company shareholders were not prejudiced.

The Government decided that a relationship to share market prices was an appropriate basis on which to make an issue of these special shares. The Government believes that the decision which has been taken and which is embodied in this Bill allows for the protection of the South Australian community. It balances that against the undoubted benefits of retaining a significant private enterprise emphasis within the Gas Company, and the balance that is achieved in the legislation, with the wider powers of both the Gas Company board and the Corporate Affairs Commission, will mean that the Gas Company is retained as a South Australian entity for the benefit of all South Australians.

Bill read a second time.

The PRESIDENT: I am of the opinion that this Bill should be treated as a hybrid Bill, as it is, in effect, a Bill which amends what could be considered a private Act and, in accordance with Standing Order 268, I believe that it does come within the meaning of a public local body, as defined in that Standing Order.

On 22 February 1979 a Bill amending the same Act was considered a hybrid Bill and referred to a Select Committee of another place. In 1964, a Bill amending this Act, introduced in the Legislative Council, was considered a hybrid Bill and referred to a Select Committee of the Council. In 1952, a similar Bill, originating in the House of Assembly, was also considered a hybrid Bill and referred to a Select Committee of that House.

However, as the House of origin on this occasion did not consider it a hybrid Bill, and if there is a degree of urgency in its passing, the situation in this instance could be met by suspending Standing Orders to enable the Bill to be proceeded with as a public Bill; otherwise it must be referred to a Select Committee.

The Hon. K. T. GRIFFIN (Attorney-General): I move:

That Standing Orders be so far suspended as to enable the Bill to be proceeded with as a public Bill.

Motion carried.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Amendment of principal Act."

The CHAIRMAN: I point out to honourable members that the following clerical correction has been made to line 20, namely, to place a comma after "sections"; to strike out "and"; and, after "headings", to insert "and schedule".

The Hon. K. T. GRIFFIN: I move:

Page 7, lines 25 to 27—Leave out paragraphs *(a)* and *(b)* and insert paragraphs as follow:

(a) 4 950 000 shall be Class A shares; and

(b) 50 000 shall be Class B shares.

The proposal in the Bill deals with the subdivision of the share capital of the South Australian Gas Company. It is specified as $2 500 000, which is divided into shares of 50c each. One will notice that the Bill provides for 4 980 000 class A shares and 20 000 class B shares. The 20 000 class B shares will have attached to them 100 votes for each share, which, on the basis of voting power, will give the class B shareholders a majority of votes at a meeting or on a poll.

The problem arises that, if the Gas Company issues more class A shares out of the nominal capital, it will not be able to issue more class B shares to ensure that S.G.I.C. retains its majority voting status through its class B shareholding, because there are insufficient class B shares remaining unissued to enable the appropriate balance to be achieved.

The amendment seeks to provide a great pool of class B shares from which the Gas Company may issue more class B shares if it takes the decision to issue more class A shares, thus ensuring that the S.G.I.C. continues to hold a majority of votes at a meeting or upon a poll of shareholders.

The amendment is important because, if it was not made, it would mean that, when the Gas Company wanted to issue more class A shares and is required to maintain a balance between class A shares and class B shares, it would need to come back to Parliament with a further amendment. I believe the amendment should be carried in order to provide a pool of unissued shares necessary to avoid a return to Parliament on another occasion.

The Hon. B. A. CHATTERTON: The Opposition supports this amendment. As the Minister has indicated, the amendment is necessary so that the other class A shares can be used at some future date if the company wishes to do so. Further in the clause it provides that only 20 000 will be issued at the present time, because that is all that is needed to give S.G.I.C. control over the Gas Company's voting at this stage. The other 30 000 will be in reserve if other Gas Company shares were to be issued at a future date. A further subclause provides:

> The company shall not exercise its powers under subsection (6) so as to reduce the proportionate voting power of the holders of class B shares (determined in relation to the total voting power of all shareholders) at general meetings or polls of sharehoders of the company.

That will ensure that S.G.I.C. has control in future.

Amendment carried.

The Hon. B. A. CHATTERTON: I move:

Page 7, lines 36 to 39—Leave out "at a premium to be determined by the Minister having regard to the price at which shares in the company are sold or offered for sale on the Stock Exchange of Adelaide on the 27th day of August, 1980" and insert "at a price of 50 cents per share".

This amendment seeks to insert a price of 50c per share instead of a premium determined by the Minister. In the debate it has been stated that the price of about $7 would be the price predetermined by the Minister as being the price of the shares on the Stock Exchange on 27 August. The reason for this amendment is in line with what a number of speakers on the Government side have said about its intentions. It seems to be extraordinary that the Government is going to pay a price which is the highest price paid for the shares under speculation. I know that the Government is not acquiring any class B shares, which are new shares, but, by its activities, it gives the impression that that speculative value was somehow justified and that, if it had been acquiring shares, it would have acquired them at that price.

Several Government speakers have said that that was impossible. We agree that it is impossible. It is

extraordinary that within this Bill the Government should be giving credibility to such speculation, that it is saying that that was the maximum price at which the shares were offered for sale on the Stock Exchange and that, therefore, it will give that as the premium on those new shares. The Committee knows that there is no relationship between these class B shares and the class A shares. The class B shares will not be quoted on the Stock Exchange for the obvious reason that they cannot be purchased by anyone else. It would be ridiculous to quote them on the Stock Exchange. Therefore, there is no relationship between class A and class B values. There is no need to include that provision in the Bill, and I suggest that a more appropriate value would be to issue the shares at par, which is 50c a share.

The Hon. Mr. Laidlaw anticipated my amendment would be moved and said that $140 000 was a cheap enough price to pay to acquire control of the company, and that S.G.I.C., with its many millions that it has lent to the company, should be happy enough to pay that price. I am sure that to S.G.I.C. that price is chicken feed, but that is not the point of the argument which is that, by offering this price, by underwriting what was the highest speculative value that the shares reached on the Stock Exchange, the Government is undermining the very argument that it is putting forward that this Bill is to stop speculation in Gas Company shares.

The Hon. K. T. GRIFFIN: There are other people in the community who regard $7 a share for shares which give control of an instrumentality such as the Gas Company to be grossly inadequate. What the Government sought to do was to ensure that, although on an asset backing basis the shares were not worth anything like $7 a share, that at least recognised that the stock market, where the shares were traded freely, might be the indicator of what people may be prepared to pay for those shares. As I have indicated, on the view that the Government and the Board of Directors of Sagasco took, there was no justification for the shares to be traded at $7 a share or thereabouts, but the fact is that, in a free market situation, that is what both a willing seller and purchaser were prepared to pay for whatever reason they were prepared to pay it.

It is for that reason, and notwithstanding the asset backing assessment of each share, that the Government took the view that it was improper for it to seek to acquire control of the company and the allotment of shares to S.G.I.C. at par value or anything less than current market value. With respect to the Hon. Mr. Chatterton, I do not adopt the view that he has expressed that the Government, by taking the view which is reflected in this Bill, is subscribing to the ill that it was seeking to overcome. That cannot be an interpretation of the Government's action. As I have indicated, the Government wanted to be fair in every respect, recognising that by the allotment of shares it was in fact achieving voting control, not asset backing control but voting control, through S.G.I.C. I am not able to accept the Hon. Mr. Chatterton's amendment, because the Government believes that that proposition is an unreasonable one.

The Hon. D. H. LAIDLAW: I do not accept the amendment, although I do not say that strongly. As I mentioned in my second reading speech, a number of critics said it was wrong of the directors of the S.G.I.C. to invest policy holders' funds in the Gas Company for $7·50 a share paying only 12 per cent dividend to return a yield of ·8 of 1 per cent. As I pointed out, the S.G.I.C. has already lent $8 000 000 at fixed interest to Sagasco and $25 000 000 to the South Australian Oil and Gas Corporation. I think it is a prudent investment for directors to follow if they have the opportunity to have a strong equity interest in organisations where they have already invested so heavily at fixed interest.

How does one find the correct price after the Government had decided it was going to take this course and adopt this position of giving voting control to the S.G.I.C.? It could be at 50c, or it could be the previous published asset figure of $2 per share. It could be some arbitrary price between $2 and the highest price the shares sold at, slightly over $8. It could be, as the Government decided, $7, which was the price applying on the day the Bill was introduced, or it could be, as some financial writers suggested, that the shares are worth $60 or $70. I think, for the reasons pointed out by the Attorney-General, that the price chosen is reasonable. For that reason, I do not support the amendment.

The Committee divided on the amendment:

Ayes (9)—The Hons. Frank Blevins, G. L. Bruce, B. A. Chatterton (teller), J. R. Cornwall, C. W. Creedon, N. K. Foster, Anne Levy, C. J. Sumner, and Barbara Wiese.

Noes (10)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, L. H. Davis, R. C. DeGaris, K. T. Griffin (teller), C. M. Hill, D. H. Laidlaw, K. L. Milne, and R. J. Ritson.

Majority of 1 for the Noes.

Amendment thus negatived.

The Hon. K. T. GRIFFIN: I move:

Page 19, clause 3—Leave out paragraphs *(a)* and *(b)* and insert paragraphs as follow:

(a) 4 950 000 are class A shares;

(b) 50 000 are class B shares.

I move this amendment to the schedule, which is consistent with the amendment previously carried. It is to vary the division of nominal capital.

Amendment carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

COMPANY TAKE-OVERS BILL

Adjourned debate on second reading.

(Continued from 16 September. Page 804.)

The Hon. C. J. SUMNER (Leader of the Opposition): The Opposition supports this Bill. The Attorney-General has explained that this is interim legislation which applies the national co-operative companies and securities scheme take-over legislation to South Australia while that scheme is being brought into effect at a national level and in the States. The reason for the Attorney's introducing the Bill as South Australian legislation at this stage is that Queensland, I believe, will not be in a position to participate fully in the national scheme by 1 January next year, which was the date originally anticipated that the scheme, including the National Take-overs Act, would come into existence.

Later on the Notice Paper there are the National Companies and Securities Commission (State Provisions) Bill, the Companies and Securities (Interpretation and Miscellaneous Provisions) (Application of Laws) Bill, Securities Industry (Application of Laws) Bill, and the Companies (Acquisition of Shares) (Application of Laws) Bill. We are prepared to support the Bill before us, first because it is only interim legislation and will be repealed next year when the Companies (Acquisition of Shares) (Application of Laws) Bill is proclaimed in this State.

Members will know that I have some newly-acquired paternal responsibilities that I would like to see to tonight and, accordingly, I do not intend to speak further on this

Bill at this stage. I will reserve any comments that I have until tomorrow, when I will be in a position to speak on the four Bills that are part of the complementary scheme to establish a uniform national companies and securities scheme in Australia. As the Attorney wants this Bill throught the Council today, it will suffice to indicate our support for it in general terms and particularly because it is interim legislation that will be supplemented later by a national scheme.

The Hon. D. H. LAIDLAW: When the Attorney-General introduced in this Council the four Bills that were the first move by South Australia to meet its obligation to assist in introducing uniform companies and securities regulation throughout Australia, he claimed that this represents the most ambitious scheme of co-operation ever undertaken as a joint enterprise between the Commonwealth and the States. With that I would agree. It stems from the Report of the Senate Select Committee on the Australian Securities Markets and is the culmination of several years of discussion by the Ministers and officials of the seven Governments.

Under the scheme, Federal Parliament passed legislation which will apply in the Australian Capital Territory. There are some amendments yet to be passed, and each State has agreed to introduce legislation in its own Parliament to apply the provisions of the law applicable to the A.C.T. Under the agreement, the Commonwealth is not free to amend its A.C.T. legislation without the approval of the Ministerial Council, which includes the Commonwealth and each State Minister responsible for corporate affairs.

The various parties had been working to a timetable so that the joint legislation would come into effect on 1 January 1981, but apparently Queensland is not prepared to conform, so the programme has been delayed. Furthermore, there has been widespread criticism of certain aspects of the revised Companies Act, and final consideration of this particular Bill may be delayed for many months.

Queensland and Western Australia have already introduced temporary Acts similar to that envisaged in the national scheme to regulate company takeovers, and our Government has decided to do likewise because there is widespread belief that certain practices existing should be eradicated. This Bill, which is to have temporary application, is therefore additional to the four Bills already introduced, which aim to produce uniform legislation throughout Australia but which are dependent on each State Parliament taking appropriate action.

I stress that the proposed legislation will not stop company takeovers. It will not save local companies from being acquired by interstate or overseas predators and head offices being moved from this State, but it will impose some discipline upon the method of takeovers.

This Bill is based upon five guiding principles. First, an acquisition of shares which may alter the balance of control of a company should be treated as distinct from an everyday acquisition of shares. Secondly, if a person wishes to gain control of a company, he should be obliged to disclose his identity. Thirdly, the shareholders and directors of a target company should have reasonable time in which to consider an offer. Fourthly, the shareholders of a target company should have significant information to enable them to consider the merits of an offer. Lastly, each shareholder, whether large or small, should have an equal opportunity to participate in any benefits offered under a takeover bid.

The Attorney-General has pointed out that the takeover provisions contained in Part VIB and the tenth schedule of the Companies Act have proved ineffective, especially in regard to lightning share market raids. This Bill purports to exclude, in the main, those sections of the Companies Act.

Lightning raids often operate to the detriment of small shareholders and I shall give an example of how this occurs. Take the case of an unknown person buying shares of a company on the Stock Exchange at prices above those previously applying but not necessarily as high as he ultimately is prepared to offer or may already have paid to acquire large blocks of shares privately from some major holders, such as life insurance groups or superannuation funds.

The small shareholders have no idea whether the unknown buyer intends to acquire all of the capital or merely aims to get, say, a 51 per cent holding. Scared of being locked into a minority position, they sell even though they would have preferred, if given the full facts, to remain as holders in the company. That is an unsatisfactory situation which this Bill aims to remedy.

Section 69 of the Companies Act provides that a person who has acquired 10 per cent of the voting capital must disclose his identity but he is given 14 days in which to do so. That period of grace is far too long and is now to be reduced to two days.

For example, I recall that a few years ago a market raid was made against Australian Gypsum Limited, a successful middle-sized organisation producing building materials. Within 72 hours, more than 50 per cent of the issued capital had changed hands but it was not for a further 10 days that the predator, which was Boral Limited, had to disclose its identity. Eventually Boral acquired all of the issued capital so the small shareholders who had taken no action were not left in a minority situation.

I used to sit next to the Chairman of Australian Gypsum at meetings of another company, and he impressed on me how he and his board had no chance whatsoever to prepare a defence or advise shareholders intelligently on what action they should take, which is an obligation expected of directors.

In this instance, the predator was a successful company with substantial interests in the building material industry which wished to develop Australian Gypsum along with its own activities, but the directors of Australian Gypsum were not to know whether the buyer was merely a market raider intent on breaking up the company and selling off its assets.

Clause 7 of the Bill defines an associate, and in future the holding of a shareholder and his associate will be added together in order to determine the total shares owned by one group. It is common for a predator, whilst bulding up a large holding in a company, to go to lengths in the initial stages to conceal the size of his holding so as not to startle the board, and he frequently does this by buying in many different names. Including a definition of an associate will help to overcome this device.

Clause 7 also defines a relevant or beneficial interest in shares, and any shareholder or his associate will have such shares added in order to establish his total holding. A person is deemed to have a relevant interest where he can exercise the right to vote attached to a share or where he can dispose of, or exercise control over the disposal of, that share whether or not it is a voting share.

Another device commonly adopted by a predator who wishes to conceal his identity is to buy shares but not to register such shares with the company for transfer into his name. Since a predator can sell such shares, whether or not he is the registered owner, the inclusion of a relevant interest as defined in the Bill will help to overcome this

undesirable practice.

The Bill enacts that, where the number of voting shares held by a person plus those of his associates and their relevant and beneficial interests reach 20 per cent of the voting capital of a company, the predator has several options available to him. However, I stress that in Queensland the benchmark is 12·5 per cent, and there is provision in this Bill to reduce the level below 20 per cent by regulation.

I have pointed out that under section 69 of the Companies Act, when any person acquires more than 10 per cent of the voting capital of a company, he must divulge his identity. This Bill goes further and under clause 39, when a person who wishes to take over a company acquires 5 per cent of the voting capital, he thereafter must advise the Stock Exchange of any variation in his holdings. This is desirable because it reduces the extent to which a predator can buy in nominees' names.

After acquiring 20 per cent of the voting capital of a company, a buyer has several options. First, he can increase his holding progressively by buying no more than 3 per cent of the capital every six months. This form of creeping take-over gives the ordinary shareholder ample opportunity to consider his position.

The second option is known as the formal bid procedure and is similar to, but more precise than, the take-over provisions in the Companies Act. The buyer must make a statement to shareholders according to the procedure laid down in Part A of the schedule to the Bill, and directors of the target company must issue a statement in accordance with Part B. This formal bid must be used where a person wishes to buy less than 100 per cent of the voting capital or wishes to buy shares outside of the Stock Exchange or to acquire shares by an exchange of shares rather than for cash. Shareholders must be given at least one month to consider the offer. If shareholders wish to sell more shares than the buyer wants, he shall take them on a pro rata basis.

The third option involves a take-over announcement by the buyer's broker on the Stock Exchange that he will buy for cash up to 100 per cent of the outstanding voting capital at a specified price. This price must be at least as high as the price he has paid for any shares during the preceding four months.

Within 14 days after making the announcement the buyer must submit details to shareholders in accordance with Part C of the schedule and the target company must forward details in accordance with Part D. The broker must then stand in the market for a further 4 weeks and take all the shares offered at the specified price. If a buyer already owns 30 per cent of the voting capital, he must adopt the formal bid and not use the take-over announcement procedure.

One guiding principle of the Bill is that each shareholder should have equal opportunity to participate in any benefits from a take-over offer. This is particularly important because widespread misuse of escalation clauses has worked to the detriment of small shareholders.

Let me give an example. A buyer, before commencing a market raid, usually wants a basic holding upon which to build. He may approach directly several large holders, such as life insurance groups, and offer to buy their shares at a price on condition that they ultimately will be paid the highest price that the buyer bids on the Stock Exchange. This is known as an escalation clause. Rarely, if ever, are small shareholders offered such benefits because their individual holdings are insignificant. They have to back their judgment at what price and when to sell.

This Bill goes part of the way towards eliminating escalation clauses. Under the formal bid procedure any special benefits to selected shareholders such as escalation clauses are prohibited once the Part A statement is issued by the buyer. The prohibition is extended to take-over announcements once the buyer issues his Part C statement. Furthermore, the specified bid must be as high as any escalations granted during the preceding four months. However, no attempt has been made to outlaw escalation bids in the normal trading so they can be used if the buyer resorts to the creeping take-over procedure of increasing his holding by 3 per cent each six months.

The Bill also pays regard to the social consequences of take-overs. In Part A and Part C of the schedule, a buyer must advise shareholders whether he would continue the business after acquiring control, whether there would be any redeployment of fixed assets, and whether present employees would retain their jobs. This is most important because, despite the scepticism of the Labor Opposition regarding the motives of capitalists, in my experience many shareholders do consider the social aspects seriously before deciding whether to hold onto or sell shares in a company.

In recent years South Australia has become a happy hunting ground for take-over specialists and, whilst this Bill will not prohibit take-overs, at least it will force predators to disclose their intentions and their methods. Several supporters have asked me whether legislation such as this is consistent with Liberal Party philosophy. I reply, as I said when speaking in the debate on the Sagasco Bill, that ours is not a *laissez faire* Party. We oppose unnecessary regulation of business but where the public interest is at risk we shall intervene. I support the second reading of this Bill.

The Hon. K. T. GRIFFIN (Attorney-General): I thank honourable members for their support of the Bill. It is a complex piece of legislation. As I indicated in the second reading explanation, it follows very largely the scheme of the agreed co-operative scheme legislation. I have also indicated, and I reiterate, that it is legislation of an interim nature and that, when the national co-operative scheme on companies and securities is in operation, this legislation will cease to have any force or effect. Because it follows very largely the proposals for the co-operative scheme, there should not be very much difficulty in the business community and the legal profession in the transition from the interim legislation to the principal scheme legislation. I thank honourable members for their support.

Bill read a second time.

In Committee.

Clauses 1 to 4 passed.

Clause 5—"Take-overs pending at commencement of Act."

The Hon. K. T. GRIFFIN: I move:

Page 4, lines 13, 14 and 15—Leave out all words in these lines.

This amendment is of a technical nature. When the draft was checked by officers it was found that there should not have been the provision in lines 13, 14 and 15 on page 4, and for that reason, as it is a technical matter and tidies up the Bill, I ask the Committee to support the amendment.

Amendment carried; clause as amended passed.

Clauses 6 to 61 passed.

Clause 62—"Regulations."

The Hon. K. T. GRIFFIN: I move:

Page 82, after line 16—Insert new subclause as follows:

(5) The first regulations made under this section shall, unless the contrary intention appears in those regulations, be deemed to have come into operation on the 16th day of September, 1980.

This amendment is designed to ensure that the first

regulations that will be promulgated under the authority of this legislation come into operation on 16 September 1980, which is the date of operation of the Bill. As I indicated previously, there is some measure of retrospectivity in it, but, to avoid the undoubted rush that would have taken place to overcome the constraints of this legislation once it was assented to, the Government believes that it is important to adopt this practice on this occasion.

Amendment carried; clause as amended passed.

Remaining clauses (63 and 64), schedule and title passed.

Bill read a third time and passed.

ADJOURNMENT

At 5.49 p.m. the Council adjourned until Wednesday 24 September at 2.15 p.m.