LEGISLATIVE COUNCIL

Tuesday 9 June 1981

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

PAPERS TABLED

By the Attorney-General (Hon. K. T. Griffin)—
Pursuant to Statute—
Motor Vehicles Act, 1959-1980—Regulations—Learners' Permits.
Road Traffic Act, 1961-1981—Regulations—Liquefied Petroleum Gas Equipment. Speed Limit Signs.
Supreme Court Act, 1935-1980—Rules of Court—Admission Rules.

By the Minister of Corporate Affairs (Hon. K. T. Griffin)—
Pursuant to Statute—
Corporate Affairs Commission—Report, 1979-1980.

By the Minister of Local Government (Hon. C. M. Hill)—
Pursuant to Statute—
Fisheries Act, 1971-1980—Regulations—
Managed Fisheries—Fees.
Fisheries (General)—Fees.
Waterworks Act, 1932-1978—Regulations—
Currency Creek Watershed.
Protection of Water Mains.
City of Tea Tree Gully—By-law No. 45—Swimming Centres.

By the Minister of Community Welfare (Hon. J. C. Burdett)—
Pursuant to Statute—
Dairy Industry Act, 1928-1974—Regulations—Penalties.
Dangerous Substances Act, 1979-1980—Dangerous Substances Regulations, 1981.
Metropolitan Milk Supply Act, 1946-1980—Regulations—
Milk Prices.
Cream Prices.
Planning and Development Act, 1966-1980—Regulations—
Outer Metropolitan Planning Area Development Plan.
Corporation of the Town of Gawler Planning Regulations—Zoning.
South Australian Health Commission and Central Board of Health—Reports, 1979-1980.

By the Minister of Consumer Affairs (Hon. J. C. Burdett)—
Pursuant to Statute—
Commissioner for Consumer Affairs—
Prices Act, 1948-1980—Report, 1980.
Residential Tenancies Act, 1978-1981—Report, 1979-1980.

MINISTERIAL STATEMENT: PROGRAMME PERFORMANCE BUDGETING

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

Leave granted.

The Hon. K. T. GRIFFIN: Honourable members will be aware of the Government's commitment to improving the financial management capacity of the public sector in South Australia through a number of important new initiatives, including an improvement in the support services for the Public Accounts Committee, the introduction of internal audits in a number of Government departments and programme performance budgeting.

In developing P.P.B. in South Australia, the Government is mindful of the many reports over recent years which have recommended a move to programme budgeting to improve public sector financial management. Specific recommendations are to be found in the Coombs Royal Commission, the Wilenski Report in N.S.W., the all-Party Expenditure Committee of the House of Representatives and South Australia's own Corbett Inquiry.

As one of the first steps in the development of programme performance budgeting, supplementary budgetary papers prepared on a programme rather than line basis were made available to the Estimates Committees during consideration of the current Budget. I am confident these Committees will have much improved programme information available to them when the 1981-1982 Budget is considered later this year.

Mr President, I now propose to make available a short book which outlines in a commonsense and clear way the purposes of P.P.B. and points the direction in which the Government intends to take this important initiative over the next few years.

The Government recognises that it will not be possible to change overnight from line-item budgeting to programme budgeting and is anxious to introduce P.P.B. into the existing budgeting process carefully and with attention to the particular circumstances of South Australia's administrative structure.

A most important aspect of this careful approach is to make sure that all levels of Government are quite clear about the purposes and benefits of P.P.B. This book will assist such understanding within this Parliament, within Government departments, and in the wider community.

More particularly, the book seeks to: provide a definition which places P.P.B. within the context of the South Australian environment; summarise briefly the historical development of programme budgeting approaches generally; identify some very real limitations and constraints which will influence successful implementation; explain some of the concepts and associated terminology being adopted in South Australia, including progamme structures, programme objectives, and performance indicators; discuss some key technical issues associated with P.P.B.; and outline the broad development time table to introduce P.P.B. over the next two to three years in South Australia.

Finally, Mr President, I take this opportunity to record the Government's appreciation of the excellent progress being made both by Treasury and other departmental officers in this demanding pioneering venture.

QUESTIONS

RIVERLAND CANNERY

The Hon. C. J. SUMNER: I seek leave to make a brief explanation prior to directing a question to the Attorney-General on the subject of the Riverland cannery.

Leave granted.

The Hon. C. J. SUMNER: On 17 September last year my colleague the Hon. Brian Chatterton asked the Attorney-General for a breakdown of the $7 400 000 trading loss at Riverland Fruit Products from 1 October

1979 to 31 May 1980 that was used as a basis for the State Government's agreement with the State Bank to appoint a receiver. The Attorney-General, in answering that question, did not provide the breakdown. The Hon. Mr Chatterton had said in his explanation that the figure of $7 400 000 had been disputed.

It now appears that that is the case. It now appears that the figure of $7 400 000 that was used as a justification to send in the receiver by, in effect, the State Government through the State Bank was not correct and the real figure (this is a figure that the Government and Attorney-General knew about when the task force had been set up to look into the Riverland cannery) was more of the order of $4 500 000. It now appears that the decision to appoint that receiver was made on figures that were clearly wrong.

Further, it is alleged that the Attorney-General knew that they were wrong. It has been alleged in the television programme *A State Affair* that any chance that Riverland Fruit Products had disappeared with the intervention of the receiver. Why did the Attorney-General, on 17 September last year, claim that the trading losses of Riverland cannery amounted to $7 400 000, when the Government had received other information from the task force appointed to examine the co-operative that the trading loss was nearer $4 500 000? Why was this information not given to the Parliament and the public?

The Hon. K. T. GRIFFIN: The whole problem of the Riverland Co-operative is a very complex one and, as I and the Premier indicated last year, even before a receiver was appointed, the whole operation was a shambles, because what had happened was that the previous Government, in 1978, made decisions to expand the operations of the cannery, which was even then in difficulties, and to acquire a general products line from the Henry Jones factory in Melbourne and put it in the Riverland.

The cost of acquiring the general products line was something in excess of $3 000 000. To transport it to the Riverland and install it required a building and also the installation of that plant. My recollection is that the cost of that building and installation was something in excess of $7 000 000. At the time extensive loans were made by the State Bank and by an investment company, Riverland Fruit Products Investment Pty Ltd, which was a subsidiary of the South Australian Development Corporation. The amounts presently owing to the State Bank are, from memory, in excess of $11 000 000, with another $4 500 000 owing to Riverland Fruit Products Investment Pty Ltd. I would need to check the exact figures, but my recollection is that that is approximately the indebtedness at least to those two bodies. When there were obviously some difficulties with the co-operative in the middle of last year, remembering that the so-called restructured and expanded operation was set up at the end of 1979, the Government was approached by the South Australian Development Corporation and informed of the difficulties.

As a result of those difficulties, the Government was informed that the board of the co-operative would establish a task force. The board of the co-operative established that task force, and on, I think, about 7 August 1980 the Premier made a Ministerial statement in the House of Assembly which indicated what the Government's guarantees would be during the course of the work of that task force. It became fairly obvious from information available to the State Bank that the financial situation of the cannery was very much worse than when the task force was appointed by the board of the co-operative. As I indicated at the time when the State Bank appointed a receiver, the information indicated that the loss situation was something like $4 000 000 worse than we had previously been informed was the loss situation.

The Hon. C. J. Sumner: That's not correct.

The Hon. K. T. GRIFFIN: I will answer your question in detail if you will just listen. The loss situation was so serious that the State Bank, on commercial grounds, had taken the view that the receiver ought to be appointed to protect the investment of the State Bank. The Government, in the light of that information and the continuing financial difficulties with the Riverland Fruit Products Co-operative, concurred in the appointment of a receiver. There were some questions on a television programme last Friday night which suggested that I had appointed the receiver when, in fact, if one cared to look at the press reports and the Ministerial statements that were made at the time, it was quite clearly a commercial decision by the State Bank.

The Hon. C. J. Sumner: You have no authority over the State Bank.

The Hon. K. T. GRIFFIN: The State Bank made the decision, not the Government. We concurred in the decision because, as I indicated at the time, it was so obvious that the only way to crystallise the whole problem was to allow receivers to be appointed and for the Government to give certain guarantees to those receivers. The Government gave those guarantees to the receivers, and decisions will be taken by the Government this week as to what the future will be for the Riverland Fruit Products Co-operative.

There is some dispute about the loss situation. The board of the co-operative, in filing its statement of affairs, has taken what can be described as an incredibly optimistic viewpoint when looking at the value of realisable assets. The general practice with receivers and/or liquidators is to adopt a conservative approach to the valuation of assets. It is almost unheard of that any company or co-operative which is in receivership would take such an optimistic view as has been taken in this case.

The board of the co-operative, when filing its statement of affairs, which incidentally was quite a few months late, included a number of items that were just not realistic, and ignored the fact that the co-operative was in serious financial difficulties. Although it was being propped up with Government subsidies and guarantees, the fact was that, in pure commercial terms, the co-operative was insolvent and ought not to have been valued, for the purpose of the statement of affairs, as a going concern.

So, it is correct to say that there is some disagreement as to the attitude displayed in the statement of affairs, but, whether the loss is $4 500 000 or $7 500 000, no-one can deny that, in a period of eight months since the restructured and so-called expanded cannery operation commenced, that is a very dismal situation. No-one can blame the State Bank at all for acting in the way that it acted in appointing a receiver to protect its investment.

Of course, one must recognise that, by the appointment of a receiver and by the Government's giving guarantees, the cannery has been able to continue in operation since June and September last year until the present time. Any decision about the future has not yet been made.

The Hon. C. J. SUMNER: Did the Attorney-General, at the time that he made his statement on 17 September last year that the trading losses were $7 500 000, have information from the task force which indicated that that figure was not correct and that the figure was, in fact, $4 500 000? If so, why did the Attorney-General not make that information available to the Council?

The Hon. K. T. GRIFFIN: I have no recollection at all of any communication from the task force which indicated that that was the loss.

CONFIDENTIAL DOCUMENTS

The Hon. J. R. CORNWALL: I seek leave to make a short statement before asking the Minister of Community Welfare, representing the Minister of Environment, a question regarding confidential documents.

Leave granted.

The Hon. J. R. CORNWALL: We have had a good deal of talk from the Government over many months about so-called stolen documents. So many leaks are occurring that it is a good indication of how poorly this Administration is performing. However, that is not the subject of my question today. My question concerns the so-called *bona fide* sale of confidential documents by the Government Information Office.

For more than 12 months, we have been promised that a new Environment and Planning Act would be produced. It was originally promised during the debate on shopping centres early in 1980, and since then, although it has been promised regularly, we have never seen the Bill officially.

However, it has come to my attention that more than 100 people in South Australia have copies of the Bill. Indeed, they had copies of it before the Bill even went to Cabinet for consideration, which raises the question, of course, of how they came by the Bill. Was there a break into the Minister's office, or did some senior public servant get involved in a conspiracy? No, nothing as dramatic as that happened: it involved just good old-fashioned bumbling and incompetence.

More than 100 copies of the draft Bill dated May 81 were sold over the counter at the State Government Information Office for three days in May. I ask the Minister how many copies were sold altogether, and whether he has been able to discover which members of his staff or department were responsible.

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

RIVERLAND CANNERY

The Hon. C. J. SUMNER: I seek leave to make a brief explanation before asking the Attorney-General a further question regarding the Riverland cannery.

Leave granted.

The Hon. C. J. SUMNER: On 7 August last year, in a Ministerial statement to the House of Assembly, the Premier indicated that a task force consisting of Messrs Winter, Elliott and Cavill had been appointed to carry out an investigation into the financial situation of Riverland Fruit Products Co-operative. That task force worked from July 1980 through until the appointment of a receiver to the co-operative in September 1980. I am advised that the task force was due to report at the end of September 1980, which is only two weeks after a receiver was appointed. It seems incomprehensible that the Government would agree to the appointment of a receiver when the task force that had been specifically set up to look at the difficulties that the co-operative was having was to report within two weeks. Why did the Government not wait for the report of the task force before agreeing to the appointment of a receiver to the co-operative?

The Hon. K. T. GRIFFIN: The State Bank informed the Government of the difficult situation in which it believed it was being placed, towards the end of August or early in September, as the principal secured creditor. The Government believed that, in view of that and because the matter was so serious, it could do nothing but agree with the State Bank's assessment of the way in which the matter should be handled. It is true that in August the Premier, in his Ministerial statement, indicated that the report of the task force was expected by about the end of September. However, the matter became so critical that the State Bank had no other alternative.

In any event, it was obvious that there was no guarantee that the Government would receive the report through the co-operative by the end of September 1980, when the receiver was appointed. I understand that a draft report has been prepared, but it has certainly not been considered by the task force. It should be remembered that the task force was appointed by the board of the co-operative. Certain guarantees have been given by the Government, and it was important from the State Bank's point of view that the matter be crystallised as soon as possible, in view of the difficult financial situation.

The Hon. C. J. SUMNER: I desire to ask a supplementary question. Did the Government have any conclusions from the task force when it agreed to the appointment of the receiver and, if so, what were they?

The Hon. K. T. GRIFFIN: I understand that the task force has not considered any conclusions with respect to the future of the cannery.

The Hon. C. J. Sumner: Scandalous!

The Hon. K. T. GRIFFIN: That is not my fault; talk to the task force.

The Hon. C. J. SUMNER: I seek leave to make a brief explanation before asking a further supplementary question.

Leave granted.

The Hon. C. J. SUMNER: The Attorney-General has now admitted that a draft report has been prepared by the task force.

The Hon. K. T. Griffin: That was discovered after the event.

The Hon. C. J. SUMNER: You should have made inquiries and found out, because you knew that the task force was considering the matter. Despite the fact that the task force was continuing its inquiries, and despite the fact that the task force was due to report within two weeks, the Government agreed to the State Bank's appointing a receiver in this situation. That is an incredible decision for the Government to have made. Further, it is incompetent that the Government did not consult the task force, knowing as it did that the Chairman of the South Australian Development Corporation—a Government agency—was a member of that task force, before it made the decision to send in the receiver, or at least to concur with the State Bank's sending in the receiver. That was quite irresponsible and incompetent on the part of the Attorney-General.

The situation gets even more mysterious when I understand that the task force members wrote to the Premier on 29 September and tendered their resignations, and that their resignations were accepted by the Government but no announcement was made of those resignations to Parliament or the public. It now appears that those members have resigned without having completed their report and that the Government is not in the least bit interested in what their conclusions were. That was grossly irresponsible.

The task force included a representative of the South Australian Development Corporation (the Chairman, Mr Cavill), but the task force was not even asked what its views were. The task force tendered its resignation, and no report was requested by the Government. In other words, the Government completely ignored the inquiries that were being carried out by that task force and completely ignored the views that it might have gained from a Chairman of one of its own agencies (the South Australian

Development Corporation). Why did the task force appointed to examine the problems of the cannery resign? Secondly, did the task force prepare a report before its resignation and, if it did, what did that report conclude?

The Hon. K. T. GRIFFIN: The fact that the task force resigned is really no secret.

The Hon. C. J. Sumner: Why didn't you announce it?

The Hon. K. T. GRIFFIN: One does not have to go around announcing things that events have superseded.

Members interjecting:

The PRESIDENT: Order!

The Hon. K. T. GRIFFIN: If someone had asked me, I would have told them. The task force was appointed by the board of the co-operative.

The Hon. C. J. Sumner: Why did they resign?

The Hon. K. T. GRIFFIN: It is their prerogative to do what they like. They can inform the Premier that they resign but they, as I understand it, took the view that the appointment of the receiver—

The Hon. Frank Blevins: You sabotaged them.

The Hon. K. T. GRIFFIN: No. They took the view that the appointment of the receiver had superseded what they had been set up to do by the board of the co-operative.

The Hon. C. J. Sumner: Why did they write to the Premier to resign?

The Hon. K. T. GRIFFIN: They are entitled to write to whom they like.

The Hon. C. J. Sumner: Are you trying to make out that the Premier had nothing to do with it?

The PRESIDENT: Order!

The Hon. K. T. GRIFFIN: The Leader does not seem to understand that the board of the co-operative appointed the task force. The Government was asked by the co-operative through the task force and the Development Corporation to give certain guarantees because, as the Premier's statement said on 7 August, the co-operative itself had decided to suspend the payment of creditors on 24 June. The Premier stated:

> Following detailed discussions, the Chairman of the S.A.D.C. suggested that he speak with the Directors of Riverland Cannery as soon as possible. This was done on 24 June, when the board resolved to freeze all debts owed by the company at that date, and to trade on a cash basis only from 25 June 1980, and to appoint a task force to inquire into the future of R.F.P., and to provide a solution for its continuing operation.

The Government became involved because there were substantial Government funds and guarantees involved in the operation of the cannery, involving commitments which had been made by the previous Government, and I will talk more about those at a later stage, because they were a disaster for the community of South Australia and completely unbusinesslike in their approach.

The board of the cannery needed the support of the Government, and so did the task force, to ensure that the decision made by the co-operative on 24 June to freeze all debts owed by the co-operative at that date would in fact still enable it to continue by payment of creditors thereafter incurred on the basis of a cash payment. The only way that that could be done, because of the serious liquidity problems of the co-operative, was by Government guarantee: the Government gave certain guarantees which enabled the task force appointed by the co-operative to carry on the co-operative during the period since 25 June and to ensure that debts incurred during that period were paid.

The fact that the task force resigned was a matter for its members, but they took the view that the appointment of the receiver had superseded the task that they had been given by the co-operative board. Whether or not they had prepared a report at that time, I am not aware, but the information that I earlier gave to the Council—that I believe that a draft report was prepared—was obtained some time after the appointment of a receiver. The Government certainly did not have access to that at the time. In fact, subsequently the Government did seek to gain access to the draft report, but we were told that it had not been considered by the task force and that, therefore, it ought not to be regarded as the positive and confirmed view of the task force.

The other point that members need to recognise is that at the time that the receiver was appointed there was a petition before the Supreme Court for the winding up of the co-operative. That petition was lodged by Golden Circle Co-operative in Queensland for about $100 000 and, if the winding up had continued, the whole operation would by now have been wound up and the continuation of the cannery would not even have been a matter for public debate. The other matter that one must consider is that substantial debts were owing by the co-operative, involving about $8 000 000, to unsecured creditors in the eight months from the date of restructuring at the end of 1979 to about 25 June or 31 May—a very substantial amount.

The fact that the cannery was operating with the support of Government guarantees and Government funds is incredible when one considers all the difficulties that were obvious even at that time. These are difficulties for which the Leader of the Opposition is trying to shift the blame from his Government to this Government, and in no way will that stick.

The Hon. C. J. SUMNER: I desire to ask a supplementary question. Were the guarantees given by the Government to the cannery in June 1980 given on the undertaking that the board of that co-operative would set up a task force? If that is so, how can the Government say that the task force was appointed by the cannery board and that the Government had nothing to do with it?

The Hon. K. T. GRIFFIN: The discussions were between the Chairman of the South Australian Development Corporation and the Premier. I became involved at about that time and, as far as I am aware, the information that was given to the Government was that there were serious differences in the co-operative and, by way of assisting the current situation and endeavouring to find a way out of the difference, the Government agreed to give certain guarantees.

The Hon. C. J. Sumner: On the understanding that a task force would be set up.

The Hon. K. T. GRIFFIN: It was part of the arrangement. I am not aware who volunteered the establishment of the task force but ultimately it came back to the responsibility of the members of the co-operative. The members of the board of the co-operative have statutory responsibilities, as they had when they signed all the agreements that were part of the restructuring undertaken by the previous Government.

NURSING HOMES

The Hon. C. W. CREEDON: I seek leave to make a brief statement prior to asking a question of the Minister of Community Welfare, representing the Minister of Health, regarding nursing home beds.

Leave granted.

The Hon. C. W. CREEDON: I refer to a statement by the Minister of Health reported in the *Advertiser* of 4 June and I will quote a number of paragraphs from that report. The Minister, referring to a statement by Sir James Irwin,

said that there were a number of factors influencing a community decision. The report states that one of the factors was:

> The number of nursing home beds in the Adelaide area, which currently exceeded the Commonwealth guideline of 50 beds a thousand for people aged 65 and over by 40 per cent . . . Government policy placed strong emphasis on home care in preference to institutional care and on rehabilitation. Consequently, the Health Commission tended to allocate resources which encouraged people to be maintained in their own homes.
>
> Mrs Adamson said that in the Unley area where the home was located, the number of beds exceeded Commonwealth guidelines by 80 per cent.

The Minister made specific mention of the Adelaide and Unley areas and I can only presume that, when she talks about Unley, she is referring to only the Home for Incurables. Sir James Irwin, President of the Home for Incurables, said that that home had a waiting list of 500 and, besides private money, the Government had spent many millions of dollars on making the home a very attractive place for those needing its services. It is not a very palatable thought to State electors to realise that nursing home beds are there but the Government will not allow their use.

Will the Minister say how many beds there are at the Home for Incurables? How many beds at the Home for Incurables are occupied? Can the Minister say whether the home is occupied only by residents of Unley or whether beds in that home are occupied by people who have resided in many different parts of the State? What is the number of Unley residents that occupy beds in the Home for Incurables? Referring to the Adelaide area, what number of beds constitutes 40 per cent? Are those beds occupied? Taking into account all known applications, how many aged or invalid nursing home beds are needed and how many home units or flats for the aged are required?

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

PETROL PRICES

The Hon. C. J. SUMNER: I seek leave to make a brief explanation prior to directing a question to the Minister of Consumer Affairs on the subject of petrol prices.

Leave granted.

The Hon. C. J. SUMNER: The Minister deserves to be condemned for his inept bungling that has seen the price of petrol in this State escalate from about 30 cents a litre last November to 39 cents a litre in February this year. The history of this matter, as members will recall, is that in November the Government imposed wholesale price control on the price of petrol at 3 cents below the price justified by the Prices Justification Tribunal. As a result of that, the oil companies stopped discounting, and the price increased immediately by some 5 cents.

In January this year, the Minister amended that prices order, and the price inreased a further 1 cent. In February, he removed the wholesale price control altogether in what must be considered the most incompetent action of his period as a Minister. In February the price went to 39 cents a litre. As I have said, it increased within a period of two to three months from about 30 cents a litre for super grade petrol to about 39 cents a litre. By the end of March that price was 39.5 cents a litre. The price had increased from amongst the lowest in Australia to amongst the highest.

In April I produced a plan that would reduce the price of petrol by 2 cents a litre, and would have imposed retail price control at 37.5 cents a litre. By this time, the public pressure on the Premier was too great, so, behind the backs of the resellers to whom he had made so many promises, the Premier approached the oil companies and urged them to start discounting again. As a result of that, Shell commenced discounting by 0.5 cents a litre, which subsequently flowed through to the rest of the market.

I believe that, in taking that action, the Premier acted contrary to the interests of the resellers and contrary to undertakings that he had previously given to the resellers. Further, the Minister, Mr Burdett, said in February, when price control was removed, that the Government would reimpose price control if discounting by the oil companies started again.

The fact is that discounting has started again and the Government has taken no action. Information from other States indicates that the oil companies can discount at levels well below the Prices Justification Tribunal justified prices. As a result of the Minister's action, consumers of petrol in this State got the worst of both worlds. They lost the benefits of discounting and they lost price control because of the Minister's inept handling of the situation. The South Australian Automobile Chamber of Commerce has now presented a submission to the Government calling for the reimposition of price control and a cut in the price of petrol by 2 cents a litre and for a minimum margin.

There are certain other matters also, including long-term measures, which the South Australian Automobile Chamber of Commerce has put to the Government. It believes very strongly that the Government has gone back on its word and has gone back on the undertakings it gave to the chamber in February of this year. Has the Government considered the submission of the South Australian Automobile Chamber of Commerce? If so, what action does it intend to take? I call on the Minister to implement the plan that the Labor Party put forward in April which would result in the retail price of supergrade petrol in the metropolitan area being 37.5 cents a litre—more in line with prices in other States.

The Hon. J. C. BURDETT: If the Leader considers this matter to be so important and urgent, I do not know why he did not raise it before. He has misrepresented the whole of the relevant proceedings. It is necessary therefore to recapitulate what has happened. I have done this before. During late 1979 and 1980 the petrol retailers were considering that they did not receive a sufficient margin because of cut-throat selective discounting. They had approached the Federal Government on many occasions. They approached the State Government, which consistently maintained the stand that the matter was really a Federal issue. Petrol is a product which is marketed on a national basis and used by people who cross State boundaries. Therefore, there was not any effective action which the State Government could take. The State Government said that it supported the Fife package and made it clear that it supported the full Fife package. Later during 1980 a modified form of the Fife package was introduced.

During 1980 the State Government made it clear to the oil companies that there was a problem and that a considerable number of South Australian small business-men on whom a large number of employees depended were getting a raw deal and were not getting an adequate margin because of the cut-throat selective discounting. We made it clear that it was an industry problem and that the Government did not want to intervene. One of the reasons, as I have outlined, was that it was not a State matter and, secondly, that we did not believe in intervention anyway, provided that the matter was

remedied by the industry. The oil companies did not heed what we said and, in fact, the matter became worse.

Members interjecting:

The PRESIDENT: Order!

The Hon. Frank Blevins interjecting:

The PRESIDENT: Order! If the Hon. Mr Blevins wishes to ask a question he will have an opportunity. The Hon. Mr Burdett.

The Hon. J. C. BURDETT: Late in November, therefore, the Government took the action which it had said was not the answer to the problem and which it said was a temporary measure to prevent the cut-throat selective discounting which was destroying the retail trade. That action was effective and is still effective in that prior to November the margin that the retailers were getting was about 1.7 cents a litre. At the present time the margins range from 3.09 to 3.86 cents a litre.

Members interjecting:

The PRESIDENT: Order!

The Hon. J. C. BURDETT: So, the margins which the resellers are getting are about double what they were before. The resellers' profitability has been maintained despite the recent comments to which I will refer in a moment. Because of the action of the State Government, they are getting twice as good a deal as they were getting before. South Australia has had one of the highest marketing or retailing costs of petrol of any State. Naturally the retail price would tend to be the highest.

Prior to November the price was artificially held down because of the policies of the oil companies that were selective and quite improper and unjust to the retailers. There was naturally a high retailing cost in South Australia. What has happened now is that the price is no longer artificially held down, and therefore those high reselling costs are taking their toll. The retailing costs are high partly because of the very scattered nature of the State, with 75 per cent of its population living in the city and the rest scattered all over the State, and partly because of the proliferation of outlets. There are too many outlets. The previous Government held a Select Committee on that matter in the House of Assembly and told us that it would not touch it with a barge pole and that it was not going to do anything about reducing the outlets. I do not think the Opposition can expect the Government to intervene in the matter of outlets.

The Hon. C. J. Sumner: What about the Motor Fuel Licensing Board?

The Hon. J. C. BURDETT: The previous Government considered that and decided not to do anything about it. Where the Leader grossly misled the Council was when he said that the Premier approached the oil companies and asked them to start discounting again.

The Hon. C. J. Sumner: He did not do it? Are you denying it?

The Hon. J. C. BURDETT: Yes, I am denying it. Of course the Premier did not do that. In fact, it has not happened. Despite what the resellers have said, I have always maintained, and maintained to this Council, that I was not opposed to discounting as such: I was only opposed to discounting when it was selective and cut-throat and when it was for the purpose of influencing the general level of pricing. The code of conduct, of which I informed the oil companies in writing that I would expect them to observe, was that they would not try to influence, through their own outlets, the general level of prices. This has not been done. What has been done is that the Shell company appears (they have not told me, so I do not know the motive) to have been trying to establish a two-tier structure of pricing.

The Hon. C. J. Sumner: Did they have discussions with the Premier about it?

The Hon. J. C. BURDETT: They have been trying to establish a two-tier system of prices.

The Hon. N. K. Foster: Did they have discussions? That's the question.

The PRESIDENT: Order!

The Hon. J. C. BURDETT: That is not the question. I am answering the question.

The Hon. C. J. Sumner: What are you doing?

The PRESIDENT: Order! The question has been asked and honourable members should cease interjecting while it is being answered.

The Hon. J. E. Dunford: I've got some questions to ask about workers, but I don't have time to do it.

The PRESIDENT: Order! I will have no option than to take action against honourable members if they persist with interjections. The honourable member has asked his question, and honourable members should do the Minister the courtesy of listening to the reply.

The Hon. J. C. BURDETT: It appears that the Shell company was trying to establish a different price for self-serve outlets and full-service outlets, and there is every reason for this. The motorist who is prepared to pay for full service can be expected to pay a higher price than the motorist who is prepared to put up with whatever inconvenience is involved with self-service stations. There was no evidence whatsoever that the Shell company was trying to influence the general level of prices. Therefore, the claim that the resellers made was unjustified. I said that the Government would take action if an attempt was made to influence the general level of prices. This has not happened. I see no evidence of its being about to happen and, therefore, I do not propose at this stage to take any action.

The Hon. C. J. SUMNER: Did the Premier approach the oil companies after Labor's plan to reduce petrol prices was revealed, with a view to getting them to start discounting again? In particular, did the Premier approach the Shell company?

The Hon. J. C. BURDETT: No.

The Hon. N. K. FOSTER: As the Minister implied that the price of petrol related to the distance of the outlet from Adelaide, will he undertake a study within his department (it may take him a week to do so, by which time Parliament will be in recess) so that he can arrive at the comparative prices of petrol at Mount Gambier and Port Lincoln, which centres are almost identical distances from the city of Adelaide?

The Hon. J. C. BURDETT: I will certainly provide the honourable member with that information.

The Hon. N. K. Foster: I can give it to you now if you like.

The PRESIDENT: Order!

The Hon. J. C. BURDETT: Simply taking two centres does not help very much.

The Hon. G. L. BRUCE: Can the Minister explain why, when there are self-service outlets and very few workers at those outlets, South Australians are still paying the highest price for petrol, although the cost of operating those self-service centres is low?

The Hon. J. C. BURDETT: I have already mentioned the factors that make South Australia very marginally at present the State with the highest retail petrol price. The total cost of retailing in this State is, I maintain, certainly higher, not lower, than it is in other States.

THREE-DAY HORSE EVENT

The Hon. ANNE LEVY: I seek leave to make a brief statement before asking the Attorney-General, as Leader of the Government in the Council, a question regarding the three-day event to be held in South Australia's jubilee year.

Leave granted.

The Hon. ANNE LEVY: I am sure that many people will have seen a press release issued by the Premier, and with the Chairman of the Jubilee 150 board (Mr Kym Bonython), regarding the world three-day event that is to take place at Gawler during the State's sesqui-centenary celebrations. Announcements regarding this event have come from the international body, the Federation Equestre Internationale, stating that this important world event will be held at Gawler in 1986, and this is being hailed as a major contribution to the sesqui-centenary jubilee event.

However, serious questions arise regarding the quarantine aspect. As people may be aware, the Olympic Games were held in Melbourne in 1956, but, because of Australia's quarantine regulations, the equestrian part of those games was held not in Australia but in Stockholm. It seems that equal questions regarding quarantine arise in relation to the world three-day equestrian event.

I am sure that we would not to wish to see a supposed world event limited to the horses of perhaps three or four countries from which horses can be imported into Australia without quarantine because there is no danger of importing exotic diseases therefrom. However, if this is to be a world event, obviously horses from many countries will be taking part. I very much hope that there is no intention of in any way endangering our extremely important agriculture industry by altering our quarantine regulations.

Will the Minister say whether consideration has been given to these quarantine questions? Also, is the Premier suggesting that Australia's very valuable and strict quarantine rules should be relaxed for this occasion, with all the inherent dangers involved, or does he expect that this world event will not be a world event at all but will consist of events involving only three or four countries, or is the whole thing a furphy and will never take place in Gawler?

Members interjecting:

The PRESIDENT: Order! I will call on the business of the day if honourable members do not want to hear the reply. I am stretching the point already in order to allow the Minister to reply.

The Hon. K. T. GRIFFIN: There are no furphies. I will refer the matter to the Premier.

APPROPRIATION BILL (No. 1), 1981

Adjourned debate on second reading.

(Continued from 4 June. Page 3893.)

The Hon. J. R. CORNWALL: It is very opportune that we have a money Bill before us today, as I certainly want to talk about money in the area of hospital administration. Last Tuesday, I made a statement and asked a series of questions about a debt owed by a radiologist, Dr Tom Mestrov, to the Whyalla Hospital Board and the S.A. Health Commission. On Wednesday, the Minister of Health, Mrs Adamson, replied to my statement and questions by way of a Dorothy Dix question asked in the House of Assembly by the member for Fisher, Mr Evans. Mrs Adamson said that I had shown an irresponsible approach and a disregard for the truth in the matter of the Whyalla Hospital and Dr Mestrov. She also said she found it quite extraordinary that I should raise such a matter publicly.

Today, I will carefully catalogue the facts concerning what is now known as the Mestrov affair. I will produce for the Council 11 separate documents which I procured during investigations in Whyalla last Friday. Further, I will expose the Minister's role in this scandalous affair. I have here a copy of a document prepared for the Whyalla Hospital board by their accountant, Mr Wallace. It is headed 'Calculation of Unpaid Radiologists' Service Charge to Date' (No. 1).

The document estimates the facilities and service charges owed by Dr Mestrov to the Whyalla Hospital for the financial year 1979-1980 at $90 760. We can presume this to be a very reliable estimate because, as the Minister said last week, the determination involved an inspection of Dr Mestrov's personal income records. To estimate the amounts owning for the three previous years the accountant has deflated the $90 760 by the consumer price index for each year. On that basis, the total estimated amount owing from 1 October 1976 to 30 June 1980 was $300 764, without interest. I seek leave to have that document inserted in *Hansard* without my reading it.

Leave granted.

FIGURES RELATING TO ESTIMATED INCOME FROM 1 OCTOBER 1976 TO 30 JUNE 1980

Approach:

A reasonable estimate of the facilities/service charge owing to the Whyalla and District Hospital Inc. for the period 1979-1980 was calculated at $90 760.

Deflating this amount retrospectively until October 1976 when payments became due produces an estimate of the respective annual amounts due. These annual amounts are divided equally into 12 estimated monthly payments and compound interest accruable is calculated on these figures using an estimate of interest rates prevailing at those times.

Owing to the fact that assumptions and estimates have had to be made in order to form a conclusion it is important to realise that the resultant figure is only an estimate—no more.

Period	Amounts	Remarks
	$	
1979-1980	90 760	
1978-1979	81 760	= $90 760 Deflated by 11 per cent c.p.i.
1977-1978	75 570	= $81 760 Deflated by 8.2 per cent c.p.i.
1976-1977	70 232	= $75 570 Deflated by 7.6 per cent c.p.i.

Assumptions:

1. Nominal interest rate = 7.2 per cent for the periods in question.
2. Income from year to year rose according to the c.p.i. thereby permitting deflation retrospectively from the 1979-1980 estimate.

Period	Amount	Monthly Amount	Interest Calculations	Interest as at 1.8.1980
1979-1980	90 760	7 563	S_n i = 12.4041	3 052
1978-1979	81 760	6 813	S_n i = 12.4041 $\times (1.006)^{12}$	9 039
1977-1978	75 570	6 297	S_n i = 12.4041 $\times (1.006)^{24}$	14 598
1976-1977	52 674	5 853	S_n i = 9.2191 $\times (1.006)^{36}$	14 252 (9 months only)
	$300 764			$40 941

The Hon. J. R. CORNWALL: That document also shows that the total interest on that amount, calculated at 7.2 per cent with adjustments, amounted to $40 941 on 1 August 1980. In other words, Dr Mestrov's total estimated debt with interest at that time was at least $341 705. I also have a further document prepared by the hospital's accountant in relation to the amounts owing from the time of the hospital's incorporation on 19 April 1979 to 31 December 1980. That document sets out proposed interest-free payment details which were being negotiated between the hospital board and Dr Mestrov. The document verifies the figure that I gave last week as $121 500. I seek leave to have that document inserted in *Hansard* without my reading it.

Leave granted.

AMOUNTS OWING FROM THE TIME OF THE HOSPITAL'S INCORPORATION TO 31 DECEMBER 1980

Messrs Jacobs, Matthews and Wallace met with Dr Mestrov and Messrs McLachlan and Snedden (Accountant with McLachlan and Assoc.) on 12.1.81. Points discussed were:

(1) Determination of income for the periods
(a) Incorporation to 30.6.79.
(b) 30.6.79 to 31.12.80.

(2) Determination of acceptable expenses for the periods *(a)* and *(b)* above viz.:
(i) half locum fees.
(ii) salary and leave payments for clerks (H. Smith and relief).

(3) Accounting details for the determination of amounts upon which to apply the agreed formula in the future.

Figures below indicate the revenue that will be recovered from the facilities charges to radiological operations for the periods indicated.

These amounts are subject to minor adjustment if misclassified accounts are discovered.

Period (1)	$	$	$
Incorporation to 30.6.79 =	41 110		
50 per cent of 85 per cent of $41 110 =		17 472.18	
Less expenses =		2 440.50	
			15 031.68
Period (2)			
1.7.79 to 31.12.80 =	308 455		
50 per cent of 85 per cent of $308 455 =		131 093.38	
Less expenses =		24 708.97	
			106 384.41
			$121 416.09

To be recovered at the following rate:

(a) 50 per cent of Period (2) total payable on 31.1.81	53 192.20
(b) 50 per cent of Period (2) remainder payable monthly over the following 24 months @ $2 216.34	53 192.21
(c) Period (1) total recovered @ $2 216.34 monthly thereafter until debt is extinguished	15 031.68
	$121 416.09

The Hon J. R. CORNWALL: I am also in possession of the accountant's estimate of the total interest bill which would accrue on that amount at a modest 9 per cent (adjusted) by the date of final repayment in September 1983. That amount is $50 008. I seek leave to have that document inserted in *Hansard* without my reading it.

Leave granted.

TOTAL INTEREST BILL

Note:

It is interesting to discover that, if the actual monthly income for the period from incorporation to 31.12.80 is reduced by the agreed expenses incurred (locum and clerical staff) and then inflated by a conservative interest rate of 9 per cent per annum, compounded monthly, then the accumulated total debt plus interest at the time of final instalment (September 1983) is $191 364*

If repayments are inflated by exactly the same interest rate, compounded monthly to September 1983 (which recognises that we could earn 9 per cent per annum on all repayments received up to that date), the value of repayments plus interest is $141 356*

In short, although the book debt as stated on the previous page is $121 416.09 and the actual repayments will only total $121 416.09, the interest gained by Drs Mestrov and Chan for the period from incorporation to September 1983 (no retrospection beyond incorporation has been ventured) is $191 364 less $141 356 equals $50 008*

*(To facilitate calculation, and for the sake of equity, all figures above are quoted in dollars valued in 1983).

The Hon. J. R. CORNWALL: I also have a record of the amounts paid to Drs Mestrov and Chan by the hospital board for examination of public patients in the financial year 1979-1980. That amount is $46 525.40. It is interesting to note that throughout the period of the dispute the board continued to pay the radiologists their fees for services to public patients. I seek leave to have that document inserted in *Hansard* without my reading it.

Leave granted.

Payments to Drs Mestrov and Chan—1979-1980

Month	Amount $
July	4 353.55
August	3 636.60
September	4 337.53
October	3 063.75
November	3 240.00
December	3 565.78
January	3 086.53
February	4 597.70
March	3 455.53
April	4 490.80
May	5 006.48
June	3 691.15
Total 1979-1980	$46 525.40

The Hon. J. R. Cornwall: It is obvious that the figures I gave to the Council last week were accurate. What is not clear is why Mrs Adamson, the little Aussie prattler, misled Parliament on Thursday.

The PRESIDENT: Order! The honourable member will withdraw that comment.

The Hon. J. R. CORNWALL: Certainly, Mr. President. I withdraw that comment.

The Hon. C. J. Sumner: Why? It's not unparliamentary.

The Hon. J. R. CORNWALL: I doubt whether it is unparliamentary and I think it is very true, but I withdraw it anyway. Why did not Mrs Adamson tell the House of Assembly the truth about her role in the Mestrov affair? That will become obvious as the story unfolds.

The Hon. C. J. Sumner: Isn't he in the Liberal Party?

The Hon. J. R. CORNWALL: We will have to consult with our colleague, the Hon. Mr Blevins, on that. I believe that Mestrov hands out blue cards regularly. Prior to 1975

Dr Mestrov paid a service charge for the use of radiology facilities at Whyalla Hospital. The service charge was 50 per cent of fees charged to paying patients, with certain allowances for write-offs, bad debts, personal staff (which he provided from time to time) and an allowance as a visiting medical specialist. That 50 per cent was never contested. I seek leave to table a letter dated 4 February 1975 from the then Director-General of Medical Services, Dr Brian Shea, to the then Medical Director of the Whyalla Hospital, Dr B. J. Kearney. The letter confirms these arrangements.

Leave granted.

The Hon. J. R. CORNWALL: After the introduction of Medibank the hospital was paid in full for the services, and in turn paid Mestrov 50 per cent. Again, the 50 per cent was never contested. When the Fraser Government made its first alteration to the Medibank scheme, payments reverted direct to Dr Mestrov. However, no-one other than Mestrov and his accountant ever had any doubt that the charges for services and facilities at the hospital—everything including X-ray films—must continue at 50 per cent. This is confirmed in a memorandum from Dr Kearney to the Director-General of Medical Services dated 8 February 1977. This gives details of the 50 per cent service charge which was to apply to Mestrov for use of the hospital's radiology facilities from 1 October 1976. I seek leave to table that document.

The Hon. J. C. BURDETT: On a point of order, Mr President, I understood that the only documents that can be tabled are those of a statistical nature.

The PRESIDENT: The ruling was that matters of a statistical nature could be incorporated in *Hansard*. However, the honourable member is asking about something that I have not seen. It rests with the Council whether the honourable member is allowed to table a letter. It is up to the Council. Is leave granted?

The Hon. J. C. Burdett: No.

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

That leave be granted by the Council for Dr Cornwall to table the document.

Mr President, I ask you to consult Standing Orders. If a speaker is referring to a document, it is possible for that document to be tabled by resolution of the Council, and I am moving for that to be done. There is a Standing Order which states that by resolution of the Council a member who is referring to a document may be requested to table it. I am requesting the Hon. Dr Cornwall to do that.

The Hon. Frank Blevins: That is under Standing Order 452.

The PRESIDENT: It appears that Standing Order 452 allows for such a motion on a document which has been quoted. Up until now, that document has not been quoted.

The Hon. J. R. CORNWALL: As I said, just before I was refused leave in a most bloody-minded way by the Minister of Community Welfare, no-one other than Mestrov and his accountant ever had any doubt that the charges for services and facilities at the hospital, for everything including X-ray films, must continue at 50 per cent. This is confirmed in a memorandum from Dr Kearney to the Director-General of Medical Services on 8 February 1977. This gives details of the 50 per cent service charge which was to apply to Mestrov for use of the hospital's radiology facilities from 1 October 1976. The document (this is in February 1977) states:

Whyalla Hospital is serviced by a Specialist Radiologist, Dr T. J. Mestrov, and the hospital provides X-ray film, equipment and staff. During the period 1 July 1975 to 30 September 1976 the hospital provided Dr Mestrov with the above services, and a service fee of 50 per cent was deducted from his accounts charged to the hospital. Dr Mestrov charged the hospital on an individual fee-for-service basis for all patients he attended at this hospital, viz. all in-patients regardless of status and all casualty patients.

The Hon. C. J. SUMNER: I call for that document under Standing Order 452 and move:

That the document be ordered to be laid on the table.

What we have witnessed today from the Hon. Mr Burdett is an obvious manifestation of the fear of the Liberal Party about this issue. It is clear that the Hon. Mr Burdett is protecting, or trying to protect, the actions of the Hon. Mrs Adamson (Minister of Health), who has obviously taken a decision not to proceed against Dr Mestrov because Dr Mestrov has some connection with the Party of which she is a member.

I am sure that Dr Cornwall will continue to document that allegation, but the fact is that the Liberal Party is concerned about this, so concerned that contrary to the normal courtesies of this Council the Hon. Mr Burdett, who was the only Minister on the front bench at the time, refused leave to the Hon. Dr Cornwall to table a document. That is quite an unwarranted action. Leave is sought to table documents in this Council on many occasions. It is virtually sought every day by Ministers of the Crown, and leave is not refused. One can only conclude—

The Hon. K. T. Griffin: They are documents that must be laid on the table by Statute.

The Hon. C. J. SUMNER: That is all very well, but documents are laid on the table and quoted in debate—

The Hon. K. T. Griffin: They're not tabled during debate.

The Hon. C. J. SUMNER: I have tabled them in debate. I tabled one in debate last year on the Constitution Act.

The Hon. K. T. Griffin: Last year—that is six months ago!

The Hon. C. J. SUMNER: That is one occasion that I can remember. It is not just a matter of tabling the documents: leave is granted in this Council in a whole host of other areas, including the giving of Ministerial statements, and of course we have seen recently the abuse of that leave which was given to the Hon. Mr Hill when he reported on the Touche Ross inquiry into the prison system.

If members opposite want to try to refuse leave on these sorts of issues, that is a track that the Liberal Party can decide to go down, but I can assure the Government that it will be to its disadvantage if it decides to do that. Of course, it will make the workings of the Council so much more difficult. There were no grounds whatever for the Hon. Mr Burdett to refuse leave. I believe he was doing it because he was afraid of the allegations that are coming out. He is afraid of what the Minister of Health has been covering up in her statements on this issue. I am sorry that we have had to go through this extraordinarily long-winded process to get a document tabled when leave was requested and then refused, but I have had no alternative, and I ask the Council to support my motion.

The Hon. J. C. BURDETT (Minister of Community Welfare): I do not recall a previous occasion when a document which has not been quoted from was the subject of a request for leave to table it. It may have happened, but I do not recall it.

The Hon. C. J. Sumner: I did it.

The Hon. J. C. BURDETT: The Leader claims that he did it. He may have read from a document, but I do not know. The only reason why I was not willing to grant leave was that this was in the course of debate, it was in the course of an attack on a doctor—

The Hon. C. J. Sumner: And an attack on the Minister.

Members interjecting:

The PRESIDENT: Order!

The Hon. J. C. BURDETT: I was just going to say that it was also during the course of an attack on the Minister of Health, a contentious attack and debate, and it was during the course of that attack that leave was sought to table a document about which I had not heard. I wanted to know what that document was. It was not a report, yet it was being used in the course of a debate and in the course of an attack. Therefore, I wanted to know what the document was before I was willing to give leave. The letter had not been read and it has now been read, and I have no further objection to its being tabled. All I wanted to know was what was in it.

Motion carried; leave granted.

The Hon. J. R. CORNWALL: I have a photocopy of a letter, dated 28 May 1979, from Dr Shea, then Chairman of the South Australian Health Commission, to Dr Jacobs, the new Medical Director of the Whyalla Hospital. The Minister of Health referred to this letter last Wednesday but she distorted and misrepresented its contents in weaving her web of deception. The letter will confirm that the 50 per cent service charge was to have operated from 1 October 1976. It also gives details of arrangements to have operated after the next medi-muddle introduced by the Fraser Government on 1 November 1978. There are some adjustments but again (as has been the case for years) the 50 per cent formula was to apply. The document states:

> Private patients were charged by Dr Mestrov, and a facilities charge of 50 per cent was raised by the hospital against Dr Mestrov; and this was the situation for which approval was granted.

I seek leave to table that document.

Leave granted.

The Hon. J. R. CORNWALL: Members will see shortly that the Hon. Mrs Adamson had no intention of instituting legal proceedings against Mestrov, because she had done a deal with him. This deal was to write off at least $193 000 of public money—South Australian taxpayers' money—still owed for service charges between 1 October 1976 and 19 April 1979. As she said last Wednesday, 'These negotiations concluded in January 1981.' Those are the negotiations in which she entered into an agreement to write off the $193 000, provided he entered into a satisfactory arrangement with the hospital board.

But Mrs Adamson's reticence to institute legal proceedings against Dr Mestrov was not shared by his medical colleagues or by leading Whyalla citizens on the hospital board. At a meeting of the board held on 18 September 1980 it was moved and carried:

> That we write to Drs Mestrov and Chan repeating the offer of 2 September 1980 and incorporate a two-week period for finalisation. If no satisfaction (is given) at the end of the two weeks we write to the South Australian Health Commission setting out our case and request that they instigate legal proceedings.

That motion was moved by Dr P. White and seconded by the Mayor of Whyalla, Mrs Ekblom. I seek leave to table that document.

Leave granted.

The Hon. J. R. CORNWALL: On 19 September 1980, the Chairman of the Whyalla Hospital Board, Dr T. J. Reilly, wrote to Drs Mestrov and Chan. Referring to the board's demand for payment he said:

> If the offer is not accepted by that date (3 October 1980) it will be withdrawn without further notice and the board will look to what courses are open to it to recover the charges for facilities extended in the past and for future staffing requirements.

That was following the board meeting to which I have referred. I am quoting directly, and I seek leave to table the letter.

Leave granted.

The Hon. J. R. CORNWALL: Nor was that an idle threat. The board was deadly serious. In a letter to Mr B. V. McKay, Chairman of the Health Commission, written on 15 October 1980, Mr Reilly requested *inter alia:*

> That (the) South Australian Health Commission be requested to join in legal proceedings for the recovery of service or facilities charges owed by Drs Mestrov and Chan from the years 1976-1977 to 1979-1980, any debt prior to incorporation of the hospital (19 April 1979) being the concern of the Health Commission.
>
> That the S.A. Health Commission be requested to supply expert advice on the alternatives open to the hospital for the provision of radiological services in the short and long terms and of the likely costs of each alternative.

That is how strongly the Whyalla Hospital Board felt about the money which it was owed after years of stalling by Mestrov. The members of the board were not only keen to institute legal proceedings for recovery of the money: they were also prepared to revoke the right for Drs Mestrov and Chan to practise from the hospital. The letter continued:

> Please advise me of the commission's attitude to the legal proceedings and what help the commission is prepared to provide by way of advice on alternative arrangements.

Mr Reilly, a wellknown and very competent solicitor, was obviously confident about the outcome of any such proceedings. I seek leave to table the letter.

Leave granted.

The Hon. J. R. CORNWALL: Finally, in this damning documentation, I come to the meeting of the Finance Committee of the Whyalla Hospital Board on 25 November 1980, as follows:

> The main factors concerned with the Mestrov affair are:
> 1. 1976-1979 charges. These are Hospitals Department and Health Commission responsibility and they are aware of this debt. It is their responsibility . . .

I seek leave to table that document.

Leave granted.

The Hon. J. R. CORNWALL: It is now obvious that my statements last week were entirely accurate, albeit a little restrained and certainly incomplete in regard to Mrs Adamson's role in the Mestrov affair. Let me return to the statement made by the Minister of Health last week. Mrs Adamson supported Dr Mestrov in her statement. She said Dr Mestrov disputed the charges 'as well he might because they were retrospective and the Government of the day had not seen to it that proper arrangements were entered into'.

As Parliamentarians, we all know the meaning of 'retrospective'. It means making something illegal which was legal at the time that action or actions were taken. In other words, Mrs Adamson is implying that Dr Mestrov was unaware of the demand for a 50 per cent service charge for the Whyalla Hospital facilities from 1 October 1976 to 19 April 1979.

It is crystal clear, from all the evidence which I presented, that that is a lie. The Director-General of Medical Services, the Hospitals Department, the Medical Director of the Whyalla Hospital, and later the Chairman of the South Australian Health Commission, had all made clear that a 50 per cent service charge was payable. Mrs Adamson knew all the facts. As Minister she had to know them. As recently as 26 February 1981, a memo from the Auditor-General's Department was sent to the Whyalla Hospital. Item 1.3 of the memo states that service charges prior to incorporation are the responsibility of the South

Australian Health Commission. The memo is signed by D. G. Hinds. Mr Hinds further states at 1.3 that a memo has ben sent to the Chairman of the commission, Mr B. V. McKay, drawing his attention to this. In other words, the Auditor-General's Department wrote to the Chairman of the South Australian Health Commission, Mr Bernie McKay, drawing his attention to the fact that the amount from 1976 to 1979 was still owing.

The Hon. C. J. Sumner: Who wrote that?

The Hon. J. R. CORNWALL: Mr D. G. Hinds, of the Auditor-General's Department. It is interesting that this memo was sent after Dr Mestrov had paid a deposit on that portion of the debt owed to the hospital board. The Minister says that the amount of about $115 000, for which the hospital board settled, was settlement in full. Quite clearly it was not. The estimated $193 000 to which I have previously referred was still owing for the years 1976 to 1979, and the Auditor-General's Department was well aware of it.

The Hon. C. J. Sumner: It was owed to the Health Commission?

The Hon. J. R. CORNWALL: That is right, and it is still owed. Clearly, the Auditor-General, no matter what shonky deal the Minister may have done with Mestrov, was still looking for that money, which was owing for the three previous years. All the members of the Whyalla Hospital Board knew about the huge amount still owed to the commission. The Chairman of the Health Commission knew of the debt and the Auditor-General's Department was acutely aware of it. So was the Minister, yet last Wednesday the Minister had the gall to stand in the House of Assembly and say:

> Regarding payment of the amount accepted in settlement for the use of the hospital's facilities from 1 October 1976 to 31 December 1980, Dr Mestrov has paid one half of the amount on 15 February 1981, and has agreed to pay the balance in monthly instalments spread over a period of 29 months, and he has been abiding by that agreement. It is therefore clear that an amount of $300 000 is not owed to the Whyalla Hospital by Dr Mestrov.

That is a very serious thing for the Minister to have said. The statement was made 24 hours after I raised the matter first in the Legislative Council. It was not an immediate response, not a response made in the heat of debate. It was one made after she had pondered the question overnight. It is now clear that she lied—

The Hon. K. T. GRIFFIN: Mr. President, that is, I believe, out of order under Standing Order 193. Members should not make those allegations about a member of another place. I ask that the member withdraw.

The PRESIDENT: The Attorney has asked the Hon. Dr Cornwall to withdraw.

The Hon. N. K. Foster: What did he say?

The Hon. K. T. Griffin: He called the Minister of Health a liar.

The Hon. C. M. Hill: He said she lied to the House.

The PRESIDENT: Order! The Hon. Dr Cornwall has been asked to withdraw the allegation against the Minister of Health.

The Hon. J. R. CORNWALL: Are you ruling that it is unparliamentary?

The PRESIDENT: Yes. I ask the Hon. Dr Cornwall to withdraw.

The Hon. J. R. CORNWALL: I withdraw. I am perfectly happy to repeat the statement outside. Let me say that the Minister was grossly untruthful in what she said in the House of Assembly last week. She misled the Parliament, and that is grossly unparliamentary. To try to explain why she would do this, I interviewed several people in Whyalla. I travelled to Whyalla last Friday, and I could not quite get it all together, until I learnt late on Sunday that, as part of this settlement deal with Dr Mestrov, she had been prepared to write off all of the money owed from 1 October 1976 to 19 April 1979. She had, in other words, conspired with Mestrov to defraud the South Australian taxpayers—

The Hon. K. T. GRIFFIN: That is distinctly unparliamentary, and I ask that the member withdraw. He has alleged a conspiracy to defraud.

The Hon. J. R. Cornwall: That's right.

The Hon. K. T. GRIFFIN: I ask for a withdrawal.

The Hon. C. J. Sumner: It's not unparliamentary as such.

The PRESIDENT: I do not need your advice on what is unparliamentary. The Hon. Dr Cornwall has been asked to withdraw.

The Hon. J. R. CORNWALL: I withdraw under protest, because what I said is true.

The Hon. K. T. GRIFFIN: Mr President, that is not a withdrawal.

The Hon. N. K. Foster: You've got rocks in your scone.

The Hon. M. B. Dawkins: You're a pain in the neck.

The Hon. C. J. SUMNER: The Hon. Mr Dawkins has just used quite unparliamentary language. He referred to a member on this side of the Chamber as a pain in the neck. I believe that in terms of unparliamentary language that is quite clearly within the rulings that you have been giving, and I ask the honourable member to withdraw and apologise.

The PRESIDENT: The Hon. Dr Cornwall has been asked to withdraw and apologise. His comments are considered objectionable under Standing Order 208.

The Hon. J. R. CORNWALL: I will withdraw. I will rephrase it: Mrs Adamson did a deal with Mestrov—

The Hon. C. J. SUMNER: Mr President, I also raised a point of order in regard to the quite objectionable remark made by the Hon. Mr Dawkins. I ask for a withdrawal under Standing Order 208, and also ask that he apologise.

The PRESIDENT: The Hon. Mr Dawkins has been asked to withdraw and apologise.

The Hon. M. B. Dawkins: I won't.

The Hon. C. J. SUMNER: I submit that in accordance with Standing Order 208 you, Mr President, have no option but to name the honourable member.

The PRESIDENT: I do not know whether the Hon. Mr Dawkins has had a look at the Standing Order under which he is accused. If he wishes to make his remark clear, he can do so. If he refuses to do that, I will have no option but to name him.

The Hon. M. B. DAWKINS: All right, I will withdraw and apologise.

Members interjecting:

The PRESIDENT: Order! The Hon. Dr Cornwall.

The Hon. J. R. CORNWALL: Let me put it in another way which is just as damning. The Minister did a deal with Dr Mestrov which resulted in $193 000 of taxpayers' money being written off. I do not care what you call it but to me that has to be grossly dishonest. This is known to a select few in Whyalla but almost certainly not to all members of the hospital board.

The hospital board has been compromised and placed in a most invidious position. An estimated $193 000 owed by Dr Mestrov is apparently to be written off on the Minister's instructions plus the interest which should have accrued. But, worst of all, when the Minister looked like being caught out in her actions, she tried to obscure the situation and tell gross untruths to talk her way out of it. She repeated those untruths yesterday. On the evidence which I presented earlier, Dr Mestrov is a rogue and a scoundrel. With the Minister's support he has also become

a crook in the grand manner. Let us be clear about the magnitude of the offence.

The Hon. L. H. Davis: Are you prepared to say that outside, too?

The Hon. J. R. CORNWALL: Shut up you imbecile.

The Hon. R. J. RITSON: I rise on a point of order, Mr President. The Hon. Mr Davis has just been called an imbecile by the member on the other side. I ask him to withdraw and apologise.

The PRESIDENT: I ask the Hon. Dr Cornwall to withdraw and apologise.

The Hon. J. R. CORNWALL: I do withdraw and apologise. However, I point out that—

The PRESIDENT: There is no need to point out anything.

The Hon. J. R. CORNWALL: Let us be clear about the magnitude of the offence. If Dr Mestrov conspired to defraud $193 000 from the private sector he would get five years gaol and an order to make restitution of the moneys involved. Yet, Mrs Adamson was prepared to write off this enormous debt. Much worse, she has now shown by her words and actions that she supports Mestrov. She says again in this morning's *Advertiser*:

> The commission has no power any more to recover amounts which should have been payable . . .

That view is not shared by the Mayor of Whyalla, Mrs Ekblom, or Dr White of Whyalla, and even more significantly it was not shared by the Chairman of the Whyalla Hospital Board, Mr Terry Reilly, a wellknown solicitor. When the board persisted with its demands and threatened legal proceedings, Dr Mestrov knew the game was up with the debt owed from incorporation (that is, 19 April 1979 to 31 December 1980). He agreed to pay a negotiated sum of $115 661. That was based on exactly the same 50 per cent formula which applied from 1 October 1976. For some extraordinary reason, Mrs Adamson was prepared to write off all the money owed prior to April 1979. There is no doubt at all that the Minister should have instituted legal proceedings for the recovery of these public funds. How can she say that there is no power in law? There is overwhelming evidence that a court action for recovery of at least $193 000 will succeed. Mrs Adamson should have pursued the debt with the full rigour of the law. Everyone who is conversant with the facts is outraged that she has not done so. She did a deal with Mestrov which resulted in the public purse being pinched for $193 000.

The Hon. C. M. Hill: Would you be prepared to make that statement outside?

The Hon. J. R. CORNWALL: As Parliamentarians we are supposed to expose the rogues and scoundrels of this world. Would I be prepared to repeat it outside—with the laws of libel in this country? Of course I would not. We are here to show up the rogues and scoundrels.

The Hon. K. T. Griffin interjecting:

The Hon. J. R. CORNWALL: Do not make a fool of yourself, Mr Attorney. A Minister of the Crown has diddled the State of $193 000.

The Hon. J. C. BURDETT: I rise on a point of order. I refer to the remark that a Minister of the Crown has diddled the State of $193 000. That is offensive to a Minister of the Crown under Standing Orders. I ask that the honourable member withdraw and apologise.

The PRESIDENT: Order! The Hon. Dr Cornwall has in my opinion made a reflection, and I ask him to withdraw it.

The Hon. J. R. CORNWALL: I withdraw it.

The Hon. J. C. Burdett: And apologise.

The Hon. Frank Blevins: Is the Minister the President?

The PRESIDENT: Order!

The Hon. J. R. CORNWALL: Mrs Adamson did a deal with Dr Mestrov that resulted in the public purse of South Australia being done out of $193 000 that was owed to it.

The Hon. J. C. Burdett: It was not.

The Hon. J. R. CORNWALL: It was. The bush lawyer has not been listening to the evidence too well. Presumably he was one of the conspirators when the matter went to Cabinet. He seems to know all about it.

The Hon. J. C. BURDETT: On a point of order, Sir, I take objection to the remark that I was one of the conspirators. I ask that that allegation be withdrawn and that the honourable member apologise.

The PRESIDENT: The honourable member has been asked to withdraw and apologise.

The Hon. J. R. CORNWALL: I withdraw and apologise, Sir. Furthermore, I said that Mrs Adamson's deal with Dr Mestrov resulted in the public purse being $193 000 lighter. I realise the gravity of that accusation, but it happens to be true. Furthermore, when Mrs Adamson was caught out last week, she deliberately misled the South Australian Parliament. She told gross untruths to Parliament in order to cover up her actions. For that, the Westminster convention demands that she must be sacked, and I call on the Premier to dismiss Mrs Adamson from the Cabinet immediately.

The Hon. L. H. DAVIS: In speaking to this financial measure, it is useful for one to recall what the position of the State was when the Liberal Party took office in September 1979. The Labor Party in the Dunstan decade of the 1970s may well have got an 'A' for arts but, if it got that, it certainly would have scored only an 'F' for finance. The fact is that on all measures at which one looks the Labor Party did not serve the State well in Government in a financial sense. Indeed, this is reflected in the latest book entitled *The Dunstan Decade*, which gives the Dunstan and Corcoran Governments very low marks indeed for financial management.

After all, that is ultimately what the State will stand and fall on: the ability of a Government to manage the State's finances. I suspect that some of the Labor skeletons that have been unearthed in the second reading explanation of this Bill will in due course be joined by some further skeletons that are still in the process of being exhumed.

The Hon. K. T. Griffin: They haven't been laid to rest.

The Hon. L. H. DAVIS: That is correct. They are still dangling behind closed doors in the cupboard. The great distinction between the financial track record of this Liberal Government and that of the former Labor Government is that in this financial year that is now drawing to a close it is certainly true that the Government has overrun its earlier Budget estimate of a $1 000 000 deficit—but this overrun is due to unavoidable circumstances as distinct from the avoidable circumstances that characterised the Labor Administration.

Members opposite may have some mirth now, but I suspect that when the full loss incurred by the Labor Government in recent years becomes clearer, when the Budget figures for the 1981 fiscal year become available in several months, we will see that many millions of dollars have been written off through losses that were avoidable on projects that, to all members opposite, must bring a shudder of memories of a Government that was incapable of coping with certain projects. I refer, for example, to such projects as Monarto, Samcor, the Frozen Foods Factory, the Clothing Factory, the Land Commission, the Riverland cannery (an instance that we saw further highlighted today) and, most remarkable of all, the recent announcement that the State had entered into an

agreement without documentation for pay-roll tax concessions of nearly $500 000 to a company.

That is fairly typical of the Labor Government: there was no documentation whatsoever. One suspects that that would also prove to be the case in relation to the Commonwealth-State country railways transfer agreement. So, those costs incurred by the Labor Party and borne by the taxpayer were avoidable; it merely involved poor management. However, the overrun in the 1980-81 Budget has been explained in the Minister's second reading explanation.

The Hon. C. J. Sumner: Not very well.

The Hon. L. H. DAVIS: The Leader has said that it was not explained very well.

The Hon. K. T. Griffin: He didn't read it; he was preoccupied at the weekend.

The Hon. L. H. DAVIS: The Leader was certainly preoccupied with the Labor Party conference over the weekend and, judging from the agitation on the other side over the past hour or so, it seems that most Opposition members must have backed a loser in one way or another.

The first item to which I refer briefly is that of wages, which was referred to in the second reading explanation. A further $17 000 000 has been required in addition to the $79 000 000 that was set aside in the original estimate. When one takes into account that the wages bill, standing at $960 000 000 in a total Budget of $1 510 000 000, accounts for 64 per cent of all State Government expenditure, it is easy for one to understand that it needs only a small increase in wages over and above what is budgeted for there to be a substantial change in the figures at the end of the financial year.

Of course, that has proved to be the case in 1980-1981. Whereas in the preceding financial years wages increased in single-digit terms, the 1980 calendar year saw wages increase by 14 per cent in Australia, well above what all economic commentators were forecasting. This has therefore caused the salaries and wages component in the Budget to fall short of the provisions that were set down in September, when the Treasurer brought forward the 1980-1981 Budget.

That is unfortunate but unforeseeable and unavoidable. I suggest that State Governments around Australia and the Federal Government will also see a discrepancy between what was budgeted for in relation to wages and what the actual salaries and wages figure was at the end of the year. It is interesting to see that, whereas wages have risen 14 to 15 per cent on average, inflation, on the other hand, has remained at about 9 to 10 per cent.

The Hon. J. R. Cornwall: Is that because of State Government initiatives?

The Hon. L. H. DAVIS: No, I am not claiming that for one moment. I am suggesting that it is an interesting contrast to a time six or seven years ago when wage increases were running at about 28 to 29 per cent per annum in money terms, against an inflation rate of 17 per cent.

The Hon. J. R. Cornwall: Are wages a cost to the community?

The Hon. L. H. DAVIS: Wages are certainly costs, and they feed into prices. Perhaps the Hon. Dr Cornwall will explain how, having been present at a Labor Party conference which voted in favour of a 35-hour week, if and when (and perhaps one should say if rather than when) the Labor Party returns to Government in this State, it will explain to the people how a 12½ per cent increase in wage costs, without any increased productivity, will be accounted for if it seeks to implement a 35-hour week across the board. Perhaps the Labor Party will also explain to the small business sector, which it says it cares for, how that sector can continue to work for up to 50 hours a week when other sectors of the economy will be working 35 hours a week with the blessing of the Labor Party.

It was interesting and significant to note that the Labor Party conference voted in favour of a 35-hour week without recommending any adjustment to wages.

The second item which caused a variation in the Budget figures is the interest on public debt, which is running at about $11 000 000 in excess of the projected figure. Interest rates have certainly increased in the current financial year beyond most people's expectations. Again, the State Government cannot be held accountable for that.

The Hon. C. J. Sumner: Mr Fraser is.

The Hon. L. H. DAVIS: If any Government is to be accountable for high interest rates, it is certainly the Federal Government. However, I would not blame any Government for high interest rates at the moment, because we are operating in a world where high interest rates are the norm rather than the exception. Obviously Australia will feel the fallout from high interest rates in America, which exceed 20 per cent. Once again, it is worth reminding honourable members that, whereas interest rates today are currently as high as they have been since 1974, one at least has the consolation of realising that rates of interest for savers and investors are positive rather than negative.

With inflation running at 9 to 10 per cent and interest rates running at 15 to 20 per cent, those people in retirement who are investing funds will at least have the benefit of a positive rate of return. That is something that could never be said about the Whitlam days. Of course, whereas interest on public debt has blown out by $11 000 000, the State has benefited by being able to increase interest on investments beyond that which is budgeted for by a figure of about $2 600 000.

A further item referred to in the second reading speech is the fact that voluntary early retirement schemes have cost this State about $4 300 000. It is significant to note that, notwithstanding the rundown in two departments with day labour forces, South Australia still has the largest day labour force in Australia. I commend the Government for that initiative, because I believe that there has been far too much fat in some sections of the Public Service. That is one area where corrective action was overdue and necessary. In the budget for the Education Department there has been an increase of $7 700 000. As was mentioned in the second reading speech, that represents an increase in actual expenditure of 12.3 per cent on 1979-1980. The projected budget deficit on the combined Revenue and Loan Accounts for 1980-1981 is estimated to be about $10 000 000. That is $8 500 000 greater than had been originally budgeted for. That, as was explained by the Treasurer in another place, is not serious, given that there have been some unavoidable increases, especially those flowing from salary and wage increases, which have not been taken into account by this Government or, I suspect, any other Government in Australia.

The fact is that this Government has achieved what will prove to be a satisfactory result for the full year, putting to rest one of the arguments put forward by the Labor Opposition; namely, that it was not possible to implement the taxation reductions and concessions which were promised by the Liberal Government when it came to office. Those concessions included the abolition of gift and death duties, land tax on the first dwelling place, stamp duty, and exemptions in the pay-roll tax area. Those measures, by themselves, reduce the take in taxation by $22 000 000. For the Government to implement those election promises and to achieve the result that it has is very satisfactory.

We have a situation where wages can largely account for the variation between the actual and budgeted figures. There has been some suggestion that this State Government has done nothing for employment opportunities and that that will be reflected in a lack of growth in pay-roll taxation and in revenue from other sources. That argument has been used in other places to decry the financial management of this Government. I point out that preliminary figures to the end of May indicate that there has been some growth in some revenue areas. More importantly, and I think more significantly, in answer to a question asked in this Council last week, the Attorney-General indicated that, whereas in the last two years of the Labor Government (August 1977 to August 1979), the number of employed persons in South Australia fell by 20 600—

The Hon. N. K. Foster: That is not an answer but an observation.

The Hon. L. H. DAVIS: It is a statistical observation. It was not pulled out of the air but was based on facts. As I said, the number of employed persons in South Australia fell by 20 600 from 568 000 to 547 400. However, from August 1979 to March 1981, the number of employed persons in South Australia rose by 20 900 to a fractionally greater figure than the figure in August 1977. That is a very pleasing trend, and I am sure it will continue. I suggest that perhaps not enough people in the community realise how successful this Government has been in turning around the employment situation in South Australia in a relatively short space of time.

Of equal significance, there has been an improving trend in unemployment figures and the level of job vacancies. In addition to the improvement in employment statistics there has been an Australia-wide improvement in the work force participation rate. In August 1979 the overall participation rate stood at a low point of 60.4 per cent; in November 1980 the participation rate had increased to 61.3 per cent, that is, people not previously in the labour market have entered or re-entered the labour market, and there are signs that this trend is also in evidence in South Australia.

The Budget strategy of this Government when measured at the three-quarter stage of this financial year is one of determination to make Government smaller and more efficient, to cut out the waste, extravagance and mismanagement that was characteristic of the previous Labor Administration. The whole thrust of the Budget strategy of this Government is to ensure that people get value for money. It is to ensure that the fat is cut out of programmes where it is not justified, that people know what the State is doing for them through effective programmes, and that the previous mismanagement of the Labor Government will be corrected once and for all. Indeed, I dread to think what the position would be today if a Labor Government was in office, given the unavoidable increases that have occurred in various areas largely as a result of significant wage increases of 12 to 14 per cent a year, and given the fact that some of the mismanagement which so characterised the Labor Administration would still be occurring.

I believe that there is no question that, when the full year's results for 1980-1981 are known, the people of South Australia will come to better appreciate how successful the current Administration has been in handling the finances of this State. The people will also better appreciate and understand the extent of the losses which have had to be written off by this current Administration as a result of the ineptitude of the previous Labor Government.

The Hon. N. K. FOSTER: I will ask the Council to bear with me as I am suffering from a migraine, although the last few minutes which have encompassed the ramblings of Government members have certainly not improved the situation. I have been unable to be present in the Chamber to hear the complete debate on this matter, and I will have to satisfy myself by making sure that at least the honourable member who has just resumed his seat does not leave the Council in the next few minutes until after I enlighten him that his figures are a load of codswallop.

First, I refer to a survey of business opinion, 'Unemployment Statistics, an A.B.S. Sample Survey Result', showing the percentage of work force unemployed. The Australian average for February, March and April for 1981 was 6.0 per cent. For South Australia it was 7.5 per cent. Commonwealth Employment Service figures are no longer to be continued because the Fraser Government has decided to hide the true unemployment situation in Australia, that is, the percentage of the work force registered as unemployed, although the Australian average in March this year was 6.7 per cent, but I point out that the figure in South Australia—and this should be of interest to the Hon. Mr Davis—was 8.1 per cent.

On the basis of the Australian Bureau of Statistics sample surveys of the labour force, total employment in Australia grew by 197 300, or 3.2 per cent, in the year between April 1980 and April 1981, but in South Australia total employment grew only by 11 100 or 2 per cent in the corresponding period. Surely the Hon. Mr Davis cannot draw from those figures that the position in South Australia is as good as he would like to suggest. In the December quarter of 1980 South Australia had another very heavy net interstate outflow of 1 891 persons, bringing the net loss for the 12 months to December 1980 to 7 739—a record figure. Do honourable members remember the idiotic ramblings of the member for Coles in another place in respect of 150 people leaving this State between 1978 and 1979? I now refer to the document headed 'Surveys of Business Opinion'. It refers to the various States. It shows the positive results in New South Wales for the March quarter ending in 1981 and gives the following figures: New South Wales, plus 50; Victoria, plus 39; Queensland, plus 32; and in South Australia the figure is only plus 30, which is the lowest figure given of all mainland States, and it is only a little higher than the Tasmanian figure. In regard to employment change, New South Wales has a figure of plus 21, Victoria has a figure of plus 10, Queensland has plus 15 and South Australia has minus 3, while Western Australia has plus 20 and the Australian total is plus 13.

Honourable members can see from these statistics that South Australia is in a dismal position. True, statistics can be used to mean anything, but they cannot be used to the extent that they can cover up the inadequacies of this Government, and the honourable member who has just resumed his seat, as a stock and share broker in this State, ought to know better. Was he not associated in some way with the scoundrel who walked across the squares in this city with $16 500 000 while not paying anything for those illgotten gains and yet still seeks further profits?

What did Mr Brown say in September 1978? True, my observation is not so dissimilar from the observation of the Attorney-General when he attempted to lay aside a question that he was not honest enough to answer in this Council not long ago. The report states:

> The South Australian Opposition spokesman on industrial affairs, . . . Brown, said last night: 'The figures are grim.'

The PRESIDENT: Order! The honourable member is not to refer to people by their surname only. He knows that.

The Hon. N. K. FOSTER: I refer to the then industrial spokesman—he does not rate highly enough in my estimate to deserve any other title. I am not out of order in saying that. On 29 July 1980 after the Liberal Government had been in office for 12 months a headline stated 'South Australia calls for total change'.

He is picking up the problem of people who earn a lousy $6 a week and are denied by the Commonwealth Government and the Department of Social Security any further benefits. When we were in office, we tried to alter this. Mr Brown felt that, because he belonged to the lousy Liberal camp, he would be successful with Federal Liberal Ministers in 1980 to a far greater extent than Labor Ministers had been previously. We are still waiting for some relief. I refer to the *Advertiser* of 11 June 1980 regarding this person who used to say that he was morally opposed to overtime. A report states:

> South Australia's Minister of Industrial Affairs, Mr Brown, said yesterday it was encouraging that the C.E.S. figures showed a slight improvement over the previous month.

He was playing with figures, because that showed the immoral position in South Australia. I could go on and refer to what this gentleman said on 9 May 1980. He is quoted in the *Advertiser* as denying, as Minister of Public Works, a request from unemployed people who were trying to get experience in office work and trying to get a typewriter. He refused to allow them to have an unwanted typewriter that was available in his portfolio area. We go back to February 1980, when this gentleman was able to see the position as so much better than it was.

The previous speaker referred to the so-called voluntary retirement scheme. The voluntary retirement field was successful only because the Government had made continual announcements, through the Public Accounts Committee, that there were 1 300 surplus people in the Engineering and Water Supply Department. They got rid of most of those people. As you, Mr President, and other members of the Council would be aware, because 1 300 people were sacked, a water main across the road burst about a fortnight ago and stones were thrown down to the railway station. A main also burst on Darley Road a few weeks ago. That was another unusual burst, through lack of monitoring of Engineering and Water Supply Department mains.

There is a sharp increase in this area but the Government thinks it can cure the ills by forcing the figure down, in the false belief that it is saving money. The cost of repair in those cases is considerable and, in the case of the burst main opposite, there was extreme danger. The flow of water past Parliament House was far greater than the flow in the Murray River. While the Government has done that in a false endeavour to cut costs, people wonder why the labour force is getting less and less. I put a question to the Minister about replacing those who retire early by employing apprentices and creating other employment, but that met with a firm 'No'.

With respect to the squealings and wailings of the Hon. Mr Davis about a deficit of $2 200 000 that may go up to $10 000 000, the Government had no need to make such lousy promises before the election. Had it not rushed in to protect about 5 or 7 per cent of the people from paying some $20 000 000 in taxation, it would not have had to impose very high charges for transport and in other areas on those who can least afford to pay, those who use public transport and those who have to avail themselves of assistance in education. The Hon. Mr Griffin, who is picking his fingernails while talking to the Hon. Mr Davis, is one of the three members of the razor gang. Goldsworthy is another.

The PRESIDENT: The honourable member—

The Hon. N. K. FOSTER: The Hon. Goldsworthy. I have met a lot of very cold human characters in my time but I think that the person who has shown the least human feeling is Roger Goldsworthy, the member for Kavel and the Minister for Depletion and Extraction. Because he represents the extractive industry, I think we ought to give him another title, just like the bloke who says that those socialist so-and-so's from South Terrace dared, over the weekend, to alter the platform of a Party. As bad as the position that Britain and the workers of Britain are in, British Petroleum, almost owned by the British taxpayers, has the money of those taxpayers to sink holes at Roxby Downs for multi-nationals such as Western Mining. It does not matter to Mr Goldsworthy if the multi-nationals that roll off his tongue like a waterfall are carrying a great deal of taxpayers' money.

The French, Dutch and British companies to which he refers are not free enterprise in character, understanding and wealth. Many carry a high percentage of socialist taxpayers' money and a whole structure of social and financial development. If it is all right for Mr Goldsworthy to castigate members on this side in both Houses in respect of what a socialist lot we are, let it be fair to remind him that those companies contain British taxpayers' money, when he would not have a bar of it in Australian content.

I draw to the attention of the Council the Labor Party's policy at both the Federal level and the State level. The previous Government was no better than the present Government in ensuring an explosion of mineral wealth in this State. The wealth has gone to some of the worst multi-nationals that strut the international stage—Utah and its bedfellows. Some of the worst and lowest fields have been given to E.T.S.A., which should have been given the best. It has been given the worst hole in the ground at Port Wakefield. We can compare a piece of Newcastle coal or Port Kembla coal with a piece of brown coal from Port Wakefield. One appears to be a charred partially burnt piece of newspaper and the other looks to be a high-grade steam coal. There is no comparison. There are one or two fields in this State but most come under an overseas monopoly. If we are going to see a mineral boom in respect of Roxby Downs, the economics of mining have to increase about twenty-fold before it becomes an economic possibility for any deep mining undertaking in Roxby Downs. One would hope that the Government would give some attention to ensuring that the marketing authorities of this State were such that there would be a greater return to the people of South Australia in respect of mineral wealth as has accrued to the States of Queensland and Western Australia since the advent of the huge exports of iron ore and coal on the western and eastern seaboard over recent years.

Is it any wonder that there were five coal exporters in New South Wales who banded themselves together 12 to 18 months ago and said, 'Damn it, we have had the Japanese taking us for fools, mugs and idiots and using us'. They had been getting a pittance out of export of coal from Newcastle. They decided to go to Japan and enlist the aid of people in Japan to examine the figures put before them as exporters. They can only export coal or any other material from this country if they get an export licence. So, they were very suspicious of the figures placed before them by the Japanese over a number of years. They obviously regretted the fact that the late Rex Connor had not been around long enough to put his plan into effect. Whilst they were in Japan for periods of up to three months and employing Japanese to blow up the figures of customers of Australian coal, they were able to extract a

higher percentage in export earnings for their coal than the present Government could ever achieve because they took the line that they had the resources and the Japanese wanted them. It is a seller's market. Why did we not realise that before? It is a pattern that ought to be followed by every other exporter in this country.

I can recall the citrus industry some years ago when it had to rely on a high percentage of oranges being exported. Victoria and New South Wales had that problem and, perhaps to a lesser degree, one other State. The markets were indeed few and Singapore was always readily available. Each year there was a dice game between the appropriate Ministers of South Australia, Victoria and New South Wales as to who would get to Singapore first. Whoever got there came back and said that he had hopes of securing a high percentage of the market. The Minister that went over second was played off against the Minister who had gone first. Ministers were being played off one against the other and Singapore got the oranges at rock bottom prices. The same applied to the grain industry until all States got together at the behest of a Labor Government in the Federal sphere. The Wheat Stabilisation Act came into force and all the farmers benefited. The only occasions when the Act faltered was when Victoria's representative on the Wheat Board opted out of the agreement and the whole thing looked like being thrown into confusion. However, saner and wiser counsel prevailed and the wheat scheme still exists today.

The agreement is a parallel to a Government-to-Government undertaking on the basis of sales and sales representation. There has been pending a High Court case in respect of that agreement. There has been a great deal of pressure and concern in some parts of the wheat area in respect of that matter and it has only been resolved in the last couple of weeks. It is no good the Government standing up in this debate and confining it to the areas where it is able to implement its policies. If there is a time gap between implementation of the policies it will have some effect on the extent of the deficit and will be shown up this year.

Rather, one would have hoped that in 1981 we would hear from this Government that it could no longer measure economic up-turns and stability in this State by the number of motor vehicles sold. If it is to be done on that basis, the calculation must be related to the number of man hours needed to produce each vehicle compared to the situation that obtained, say, two years ago, when imports of vehicles represented only a small percentage of those being imported today. The Premier should not continue stupidly using that as a guide to this State's economy and productivity.

I now refer to the membership of the Vehicle Builders Union. An understanding exists between the members of that union that no-one can work in the industry unless he is a union member. If any person considers that to be compulsory unionism, he must bear in mind that it is such to the extent only that the management insists that no-one can work for it unless the person involved is a union member. One finds, however, that the membership of the Vehicle Builders Union has decreased to about two-thirds of what it was two or three years ago. I remember addressing factory meetings at General Motors-Holden's at Elizabeth that were attended by 2 000. Now, one is battling to get 700 people at such a gathering. This is proof positive that there are drastically reduced man hours in the industry in the sense that those hours can be equated with the number of people who are unemployed.

This Government will have to look fairly and squarely at the position in which this State finds itself in future. It is no good the Government's saying that Redcliff will go on stream and that it will employ 4 000 people, 10 000 people, or whatever. If the Government is going to do that, it must appear to be fair to the South Australian public by saying that this will apply during the construction stages only. I will now refer to the construction stages of certain programmes. If one looks at the position regarding the Port Augusta and Torrens Island power stations, one finds that between 35 per cent and 45 per cent of the workers thereon came from other States. Then, the crunch comes, on the basis that when construction is finished and all those people have gone, only a handful of people are left.

One recalls the dusty days at Whyalla when the steelworks was being built and when one could hardly move because of the number of workers who were there at the time. Those people should have fought for better site allowances and conditions. When the works was built, the work force decreased dramatically. Another example is the Snowy Mountains Hydro-Electric Scheme, on the construction of which thousands of persons were employed. Indeed, at one stage there were 10 000 Yugoslavs and 10 000 Scandinavians working on that project. All those people had to be brought in, although not as conscripted labour. How many people are now working on that scheme, which, on today's figures, would cost billions of dollars to construct? I understand that about six men per roster are kept in the operating towers, and some people argue whether even they are really necessary. So, this type of employment is only a passing phase, and those involved made a large input into that over-rated business venture.

I now refer to what this Government is doing, as well as to an engineering company, some of whose workers have been on strike for a number of weeks in order to ensure that more of the things that they make are made for South Australians and that more work is available for people here. Let the Hon. Mr Griffin, a member of the razor gang, get up in this debate and say how many people he and the Government of which he is a member have sacked since they have been in office. Let the Attorney also say what increased percentage of goods and services are being imported here from other States, whose employment base is more buoyant than ours.

The Government must at least be honest with itself. However, it is being dishonest, from one Minister to another, in respect of unemployment, the down-turn in the economy, and the inability of the State and businesses to gain a foothold to recovery. If anyone regrets giving their money to back this Government, it must be, with a few exceptions, the business areas. I refer to the professional areas, involving consultants, and so on, who spent much money and made a large financial input into the Liberal Party machine. Have they been extracting their pound of flesh! Mr Tonkin has allowed them to impose increase after increase, yet he and his Minister of Industrial Affairs have the temerity to say that they are in their present position because of the increased wages bill which they must pay but which they did not foresee.

One might as well say that the Premier was wrong when, after he reached the agreement at the Premiers' Conference, he did not note the fact that inflation was running at at least 10 per cent, and when he forgot to include that factor when trying to forecast what increased costs this State would have to meet. No South Australian Government that I can recall since 1949 has not made a provision in its budgeting for wage increases. I remember Sir Thomas Playford saying, 'Get the figures from the library.' This was a factor that the Government took into consideration then. Yet here, in 1981, despite the fact that indexation has been grossly unfair to workers, the Premier

and his Cabinet (including Mr Griffin and Mr Goldsworthy, members of the razor gang) say that we are in this position because they did not foresee that there would be such a percentage increase following decisions made by the State and Federal arbitration courts.

The figures put before the State industrial tribunal at the wage case hearing are quite misleading, and I hope that the final judgment will prove that. It appears that the industrial base in South Australia and its advantages have long since disappeared. Quite properly, the previous Government recognised that the distribution of wealth should not be less than that in the other States. However, the present Government wants to reintroduce a situation which prevailed over a decade ago. The company takeovers area is one sector where the previous Government was about to embark upon a legislative protection programme, which would have been of considerable benefit to the people of South Australia. After looking through a number of press statements from the Attorney-General in relation to the Elders deal, we find that this Government could only hope to retain no more than a small office block in this State. That was our share of the takeover dream. I point out that the Attorney said that he would strive to retain that company's head office in Adelaide. I remind the Attorney that F.C.A.'s head office and the Bank of Adelaide's head office had always been in South Australia. Both of those companies have been decimated and have now disappeared.

This Government must take positive and firm action against marauders and manipulators, in respect of those companies that are still with us, although I cannot understand why they should remain whilst this Government continues in office. The Government must take positive steps to ensure that those companies remain in this State. It is not good enough for the Government to idly boast that things should be able to run freely and easily, although it is all right to have that attitude if one does not give a damn for the community.

A former member of this Chamber, Mr Geddes, was associated with a very old and established company which had branches in many country centres of this State. That company finally recognised that it could no longer remain as an identity and entered into an agreement with an American company which took it over. Mr Geddes told me that that American company broke every one of its promises, and that only one or two of the Geddes company's most senior and trusted employees remained. As a further example, I refer members to the takeovers in the stock feed area. Charlick's was a rather big company in this State, but where have all its employees gone? They have disappeared into the hidden areas encouraged by this Government. The youth of this State are hidden under lousy schemes propped up by the Government. The Hon. Mr Hill is laughing; that is because it has not hit his family. I am sure he would have some compassion if it was affecting his family. Where have all the jobs gone? Where have all the people gone? Those words could be the lyrics of a song.

We have reached a stage, and I pointed this out to the trade union movement, where golden handshakes are selfish. Whilst parents and grandparents may have received a golden handshake on their retirement, the middle-aged suffer unemployment and retrenchment. The grandchildren certainly face the dark and dismal alleyways of unemployment. I made a very tragic error in the late 1960's. As an executive member of the Trades and Labor Council, I saw the onrush of mechanisation and technological change. I conceded that the industry, for which I had worked for many years and which employed about 3 000 people in Port Adelaide, was going to face a downturn in its work force. The union took many forms of industrial action to ensure that workers received pay for past service, a right to long service leave, a right to accumulated sick leave, and a pension fund to induce workers to retire early. That move was applauded by the rank and file. Looking back, however, I believe that our actions were immoral from the point of view of people who have had to find jobs, five, 10, and 15 years later. I consider that I took unfair advantage of that industry.

When the crunch came, one of the first things that I did, along with others, was to quickly calculate the average age of workers in that industry, and I found that it was 57.8 years. We only had to wait two or three years and those workers would have reached a pensionable age. That industry is now employing only about 500 workers. We failed to grasp the fact that in the future we would be denying 2 500 people the right to work in this State. No matter which way one looks at it, whether it be technological change in industry, including the use of word processors which *Hansard* may have to use in the coming weeks, there is no other area of employment to replace the employment lost as a result of that change.

If members equate that with employment in the rural industry since 1960, they must agree with me. Surely one cannot do otherwise. This means that the great free enterprise system has failed to be the guarantor of employment. It has failed, or otherwise it has taken advantage of technological change and dried up the opportunity for people to live with full employment.

The Hon. R. C. DeGaris: You talk about private enterprise doing that, but doesn't the same problem exist elsewhere?

The Hon. N. K. FOSTER: I thank the Hon. Mr DeGaris for his valid interjection, but I was putting my case in the context that Liberal Governments throughout Australia have always believed that it is the role of free enterprise to supply employment, to encourage it and to boast about it. Indeed, Liberals have always denigrated any public area of employment. That is why the Hon. Mr Griffin has left the Chamber, beause he is not keen to take my taunts about the activities of the razor gang. If one is going to accept the mantle of responsibility in respect of the people who are to be employed, then one must agree with me that the free enterprise system has failed or that it has taken unfair advantage of technology.

We have reached the stage where, as elected politicians, despite our political differences, we must recognise the shortfall in expectations of people who, because they are the bunnies, cast votes unwittingly when decisions are made on this matter, or who are just not in the know. They should be accorded better treatment. I do not profess to have the answer to this problem, but I must say that we have failed these people, even though they may not realise it. I believe it is our high attitude to the system that is at fault, and any changes to the system or changes in policy have to be seen not just as a plank on which to attack political opponents in the narrow sense.

I am not referring to what happened at the A.L.P. convention over the long weekend, because that means so little in regard to change. There has to be a whole new set of circumstances. In regard to the innuendo from the other side concerning the convention, I suggest that Government members read *Hansard* from the late 1940s and the legislation enacted by the Playford Government. They should also consider the socialist objectives of the A.L.P., and then only one conclusion can be reached: that Playford must surely have had that platform in mind when he took action in respect of the Adelaide Electricity Supply Co. Ltd. He paid shareholders a pittance—as they saw it—and established the Electrity Trust.

The Hon. R. C. DeGaris: Does that apply to all industry?

The Hon. N. K. FOSTER: It does not apply to all industry. In the last few years the Hon. Mr DeGaris has at least come down with a semblance of fair understanding on this matter. Perhaps he should ask someone who is not associated with Labor policy or socialist philosophy to interpret that situation. I am referring to the restrictive national Constitution under which this nation labors. My major point is that free enterprise has not been able to give full employment, especially as I believe full employment involves all workers less up to 2½ per cent at the most. One must recognise that some people in the community, through no fault of their own, are unemployable. Certainly, I cannot equate an unemployment rate above that level with full employment and suggest that it does not have to be corrected by the Government.

If private enterprise has been unable to provide full employment, it should not object if Government seeks to utilise public money to ensure that people are employed. Employment restores people to the economic stream and gives them an opportunity to take part in the distribution of wealth in this State and in this country. Immediately one becomes unemployed one is taken out of the stream of wealth distribution completely, no matter what one thinks about it.

It is a tragedy to support people at one point and provide an abusive slog elsewhere. The western world should be ashamed of its squandering of resources, which has helped inflict the worst indignity, in an economic sense, that can be inflicted on people. Those affected have no form of liberty, and they are denied, by discrimination through omission, the opportunity to earn sufficient money to take their place in society. Indeed, people affected by unemployment can be forced to suicide, and it was said in the 1940s and 1950s that one could recognise in the western suburbs of Adelaide, Melbourne and Sydney those people who had suffered malnutrition and other effects of the Depression. Have members walked through this city at dusk and seen the many people who are perhaps not derelict but who are suffering malnutrition and do not have sufficient money to clothe, house and feed themselves and keep warm?

A far greater number of these people are hidden. Members of my family who are unemployed are not in the statistics. In the case of one of them, that is because his wife happens to work. Do not come up with the figures as the total result: they are not. It is that aspect that the Government ought to use with the Frasers, Sinclairs, Viners and Lynches of this world. They are the collectors and squanderers of the people's money. They should redirect the flow of money to an area that will mean that a greater share of the economy will be shared by a greater number.

The paltry submission today and the wailing about the fact that there may be a deficit of $10 000 000 mean nothing. The deficit is outside this building, not in it, and it is in human terms, not monetary terms. As a matter of common sense, the Government ought to reduce the human deficit outside this building.

The Hon. C. J. SUMNER (Leader of the Opposition): I will not detain the Council for long. Presumably in the Budget session in August we will be given a more complete explanation of the financial position of the State. That will be necessary, and the Premier will have a lot of explaining to do. It is interesting that so far the only person wheeled up by the Government to support the Bill has been the Hon. Mr Davis.

Some of us have noticed a trend whereby the Hon. Mr Davis is the only back-bencher on the Liberal side who contributes to debates. I do not know the reason. I do not know whether he is trying to show his versatility in debate because of the impending elevation of Sir Murray Hill. I have heard this report, and it may be that the Hon. Mr Hill may be departing from the front bench for some other position.

The Hon. Mr Davis, particularly in the absence of the Hon. Mr Cameron, would be a front runner for any Cabinet position. However, I do not think he did his chances of knocking off any other contender any good today. It was a poor effort. He forgets that the Liberal Government has been in office for nearly two years and he said that the Government's miscalculations were somehow due to the Labor Government. It may have been all right for Liberals to try this after six or nine months in office but, after two years in office, to blame the Labor Government for the miscalculation this year on the Revenue Budget seems to be carrying things too far.

The Hon. Mr Davis mentioned a number of matters that he said were examples of Labor mismanagement that had caused the present problem. I completely repudiate those accusations. Regarding the Labor Government's initiatives, Monarto was applauded by the Liberal Party at the time, and the problem was population change. That was no fault of the Government, and it made Monarto untenable. It is the Liberal Party that has mismanaged the Land Commission by transferring it from a proper Land Commission to an Urban Land Trust. It will be interesting to see what the Government does about the difficulty at the Riverland cannery.

The primary purpose of the Labor Government was to protect jobs. At the time of the change of Government, on most indicators some improvement was occurring in the South Australian economy. Since then, the economy has got worse. I do not think that even the boldest members opposite could maintain anything different. I know that the Premier and the Hon. Mr Davis have tried to say that a certain number of jobs have been created since the election. That tactic was used by Fraser, who said that there was a growth in employment. If you get a growth of employment in one sector and a loss in another, I cannot see that that can be said to have done something about employment.

The unemployment figures now are worse than they were when the Government came to office. The Government has created jobs on the one hand and lost jobs on the other. Its effort at reducing unemployment has been a complete failure. The Hon. Mr Davis tended to blame the Labor Government for the present Government's miscalculation on the Budget this year, and that is plainly absurd. The Government made an estimate when it brought down the Budget. It miscued, and the deficit will be a figure that we will not know until August.

The Labor Government had budgeted for deficits. That is not unusual. The present Government's Budget contained an estimate of a deficit but I do not believe that the Labor Government, in all its years in office, made a miscalculation of its Budget Estimates to the extent of $10 000 000 or $15 000 000 as has happened under this Government. In general, when a deficit occurred under Labor, it had been budgeted for. In the present case, a small deficit had been budgeted for, and now the figure is larger than predicted.

That amounts to a monumental blunder on the part of the Treasurer but we will have the opportunity to comment further on that in a couple of months time. I now want to comment on the new federalism policy of the Federal Government. One of the Premier's litany of excuses for the present position is the hard line taken on

all States by the Commonwealth Government at the recent Premiers' Conference. On this issue, the Premier has been an absolute hypocrite. One cannot put it in other terms.

The Hon. M. B. DAWKINS: I rise on a point of order. Standing Order 193 provides:

> The use of objectionable or offensive words shall be considered highly disorderly; and no injurious reflections shall be permitted upon the Governor or the Parliament of this State, or of the Commonwealth, or any member thereof . . .

I submit that the term used by the member in calling the Premier a hypocrite was a contradiction of Standing Orders, and I ask him to withdraw.

The PRESIDENT: The Hon. Mr Dawkins has called upon—

The Hon. C. J. SUMNER: You, Mr President, must make a statement as to whether the use of the word 'hypocrite' is unparliamentary.

The PRESIDENT: It is a reflection, and the Hon. Mr Sumner has been asked to withdraw and apologise.

The Hon. C. J. SUMNER: I find that ruling quite astounding. It constitutes a severe restriction on the debate.

The PRESIDENT: Order! The Hon. Mr Sumner is not here to argue with the Chair. He has asked for a ruling and I have given it. It is not to be debated. I take exception to his taking the matter into his hands and trying continually to take over the running of this Chamber. Either he withdraws without further ado or I have no choice but to name him.

The Hon. C. J. SUMNER: For future reference, are you, Mr President, saying that the use of the word 'hypocrite' in relation to any member of this Chamber or another Chamber is unparliamentary in the terms of the Standing Orders?

The PRESIDENT: It is a reflection.

The Hon. C. J. SUMNER: It is an injurious reflection within Standing Orders? That is a matter that the Council may wish to challenge at some future time. I would not wish to do it today and hold up the Council. On that basis I will withdraw the remark in relation to the Premier. The Premier is not here so I do not believe that he will feel offended and therefore I see no need to apologise.

The Hon. M. B. Dawkins: I asked for an apology.

The PRESIDENT: The honourable member has withdrawn the remark, so there is very little to apologise about. I ask him to continue and not make any further reflection on members.

The Hon. C. J. SUMNER: I will not, Mr President. There is no doubt that the attitude of the Premier to new federalism indicates a hypocritical attitude on his part. He is, as honourable members know, a staunch supporter of this philosophy, which the Fraser Government initiated before 1975. What does new federalism mean? It quite specifically means that if one believes in new federalism then one believes that the State Governments, if they are delivering services such as education, health, transport or whatever, ought to have the responsibility for raising the money to pay for those services. That is the logic of new federalism, and that is what Mr Fraser said before 1975. Mr Tonkin participated in the formulation of that new federalism policy. The logic provides that State Parliament, the Government, carries out certain functions and ought to have the responsibility of raising the funds to perform those functions.

The Hon. R. C. DeGaris: Hear, hear!

The Hon. C. J. SUMNER: The Hon. Mr DeGaris says 'Hear, hear'. He is honest about his attitude to federalism but the Premier is not. Before 1975 the Premier knew that that was what new federalism was all about. He has supported it on a number of occasions. A report in the *Advertiser* of 8 April 1977 stated:

> Dr Tonkin says he would support the new federalism policy no matter what Government brought it in—'It is in the best interests of South Australia'.

It was in the best interests of South Australia until Mr Fraser brought it into practice. Now that Mr Tonkin is feeling the effects of Mr Fraser's new federalism policy and now that Mr Fraser has tried to bring it into practice, all we get is squeals from the Premier. Dr Tonkin has gone back on his commitment to new federalism and has, in effect, repudiated it. He has done so because he realises that he does not want to raise the funds in this State in order to carry out and provide the services that the State provides. The Premier in effect has supported the Whitlam Government formula for disbursement to the States. The Whitlam Government implemented the procedure for reimbursement of income tax moneys to the States which provides a fixed guarantee. That was entered into in 1975 and continued until the 1979-1980 Budget year. It provided for a certain fixed sum to be paid to the States, depending on their population and other matters. It provided for an increase in that sum based on the consumer price increase and it provided for a betterment factor of 3 per cent under the Whitlam guarantee.

Over the last 12 months the State Government, including Dr Tonkin, has put just that proposal to Mr Fraser. The Government has asked for a share of income tax and, if that is not enough, it does not want to raise its own income tax but wants the Federal Government to implement a guarantee. The only difference between that and the Whitlam guarantee was that the betterment factor under the proposal that Dr Tonkin supported was not 3 per cent but, I believe, 1.8 per cent. We can see now that despite all the talk from the Premier when in Opposition and before 1975 about his support for a new federalism, he has repudiated it for narrow political reasons. He does not want to go through the full logic of the new federalism. The full logic of course is the State income tax.

The Hon. R. C. DeGaris: Not necessarily.

The Hon. C. J. SUMNER: It is not necessarily a State income tax. It is either that or a cut in services or a matter of raising money in some other way. That is the option that the Premier has taken. Rather than impose a State income tax, the Premier has said that he is going to put up charges which will hit everyone in the community equally —whether they are rich or poor.

The Hon. R. C. DeGaris: The point I was making is that we do not have to rely on income tax. If the Federal Government wants to allow other forms of taxation, it can.

The Hon. C. J. SUMNER: That is true. The States could be given other taxing powers. The Hon. Mr DeGaris is a federalist and believes in the logic of federalism. He supports it. He does not adopt a hypocritical attitude as the Premier has adopted in this matter. The Premier does not want to know about new federalism or raising taxes in South Australia. He wants a guarantee from Mr Fraser. Mr Fraser tried to implement his new federalism by saying, 'We are not going to give the States the same amount of funds as in the previous years. If the States want to continue the level of services, they have to raise their own taxes'.

However, Mr Tonkin is not now prepared to accept that logic. Of course, the Opposition does not accept it either, because I believe that the Federal Government ought to provide a guarantee of funding to the States similar to that of the Whitlam formula. I have always said that, but the Premier has not said it. In that sense, he is off side with the philosophy put forward by the Fraser Government when in Opposition before 1975.

The Hon. R. C. DeGaris: Are you saying that you're not a federalist?

The Hon. C. J. SUMNER: I am a federalist, but I believe that the national Government ought, in a country like Australia, to have the responsibility of economic management and of setting national priorities. That can be done by income tax revenue going to the States on a guaranteed basis, rather than the new federalism policy that Mr Fraser propounded before 1975. The Hon. Mr Burdett, sitting on the front bench, is equally culpable because he spoke about new federalism and how wonderful he thought it was. Now, he is a member of a Cabinet that is, in effect, supporting a Whitlam guarantee-type of situation, and is squealing because Mr Fraser has decided to take the new federalism to its logical conclusion. They cannot complain.

I believe that the Government will be forced to impose a State income tax. That is the logic of the new federalism, and Mr Fraser will force the States into that position. If he does not, he will, in effect, have abandoned his new federalism.

The Hon. K. T. Griffin: Would a State Labor Government introduce it?

The Hon. C. J. SUMNER: No. We will not have to do it when we get back into Government because there will be a Federal Labor Government shortly after our win in this State in 1983. Nine months later, there will be a Federal Labor Government and we will then see some sanity being put back into Federal-State relations. We will also see the implementation of guaranteed payments to the States.

The logic of Mr Fraser's new federalism policy is the imposition of a State income tax, and I believe that the Government will be forced into imposing such a tax. Of course, it will try to make it as politically palatable as possible by doing it in concert with the other States. If the Government does not introduce such a tax, the new federalism policy will have been completely repudiated and will not be worth the paper on which it is written. The final matter with which I deal relates to legislation passed in the Council last week dealing with random breath testing.

The Hon. J. C. Burdett: Supported by you.

The Hon. C. J. SUMNER: Of course it was. Unless the Government has a number of defections on the issue in another place, it appears that that Bill will become law. My comment relates to an incentive for low alcohol beer. I call on the State Government to reduce licence fees for low alcohol beer. Calls have been made on the Federal Government to reduce the excise on such beer. I should think that, with more and more measures being taken (and properly so) against drink drivers, we ought to look at this issue of low alcohol beer and what incentives the Government can give, by taxation or fee relief, to encourage the sale of low alcohol beer.

The Hon. J. C. Burdett: We're looking at it.

The Hon. C. J. SUMNER: The Hon. Mr Burdett says that the Government is looking at it. It is looking at a lot of things, but we have not heard very much about it.

The Hon. J. C. Burdett: All you said is that we ought to look at it.

The Hon. C. J. SUMNER: I did not. I said that I called on the Government to reduce licence fees for low alcohol beer. The Hon. Mr Burdett has said that he is looking at the matter, and I am pleased about that. Perhaps the Minister might give us some indication of when he will consider the matter and, indeed, what the Government's attitude is to it.

This suggestion has come up on previous occasions, and it seems to me, particularly bearing in mind random breath testing and other methods that have been suggested for dealing with the road toll, that one positive matter that could be considered is the question of incentives, through the Government's encouraging the consumption of low alcohol beer rather than beer with a higher alcohol content. That is something to which I call on the Government to respond immediately.

We will have an opportunity of a more in-depth debate on these issues in a couple of months, and I will therefore leave any further comments that I have until then. I support the Bill, which, together with the Supply Bill, is really a machinery Bill to enable the Government to get over the next two or three months until the Budget is introduced.

The Hon. M. B. DAWKINS secured the adjournment of the debate.

CONSTITUTION ACT AMENDMENT BILL

Received from the House of Assembly and read a first time.

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

That this Bill be now read a second time.

Since 1 July 1974 the salary of the South Australian Governor has been $20 000 a year. Under section 73A of the Constitution Act, an allowance is also payable to the Governor. This was fixed in 1974 at $22 600 a year and now (by virtue of indexation increases) stands at $44 800 a year. It is clear that the salary component of the Governor's total emoluments has been substantially eroded by inflation since it was fixed in 1974. (Using the Adelaide c.p.i. as a basis of calculation $1 as at 1 July 1974 = $2.03 as at 31 December 1980.) The purpose of the present Bill is to increase the Governor's salary from $20 000 to $30 000 for the 1981-1982 financial year and to provide that this salary will, for future financial years, increase in proportion to increases in the consumer price index.

Clause 1 is formal. Clause 2 provides for the amendments to come into force as from 1 July 1980. Clause 3 provides that the salary of the Governor for the 1981-1982 financial year shall be $30 000 and that thereafter the salary shall be fixed by reference to variations in the consumer price index.

The Hon. FRANK BLEVINS secured the adjournment of the debate.

GOVERNORS' PENSIONS ACT AMENDMENT BILL

Received from the House of Assembly and read a first time.

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

That this Bill be now read a second time.

Governors are appointed 'during pleasure' and, as the normal term is five years, the Governors' Pensions Act prescribes that period of service as the qualification for a pension. By gentleman's agreement, Governors have had up to six months long furlough, and English Governors took this in mid-term in order to go home by sea. This is in addition to short periods of leave taken on an *ad hoc* basis. His Excellency Keith Seaman, O.B.E., K.St.J., has indicated that he intends to take his long furlough at the end of his term and, in consequence, he will not be in active duty for several months next year, prior to his retirement.

It is apparent that Governors who are Australians are

more inclined to defer their furlough until the end of their term and regard it as a form of long service leave. This arrangement involves financial complications over the intervening period before the appointment of a successor. An amendment to the Governors' Pensions Act to provide for a qualifying period of four years six months (excluding long furlough) would provide a satisfactory solution, and would enable Governors to vacate office on an immediate pension following the period of active service, thus avoiding the need for arrangements involving the sharing of emoluments. Successors could be appointed immediately and could take advantage of the new provision themselves in due course if they wished. The present Bill therefore amends the principal Act along these lines.

Clause 1 is formal. Clause 2 reduces the qualifying period for a pension under the principal Act from five years to four years and six months. However, periods of furlough (that is, absence for recreational purposes for a continuous period exceeding one month) are not to be taken into account in calculating the period of service.

The Hon. FRANK BLEVINS secured the adjournment of the debate.

BUSINESS FRANCHISE (TOBACCO) ACT AMENDMENT BILL

Received from the House of Assembly and read a first time.

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

That this Bill be now read a second time.

Members will recall that, when the Supplementary Estimates were received from the House of Assembly a few days ago, this Council received a brief outline of the likely Budget outcome for 1980-1981. It will have been apparent from the explanations then given that the difficult budgetary situation facing the Government in 1981-1982 results from substantial wage increases which have occurred in 1980-1981, and reduced Commonwealth Government support, particularly in the area of personal income tax sharing.

I do not propose to repeat that Budget outline in detail. Suffice it to say that continued support of the Government's recurrent operations from capital funds would not be in the best interests of the economy of this State, particularly for the building and construction industry and for employment. It could jeopardise also the development of major projects of considerable long-term benefit to South Australia and the nation as a whole.

To correct that situation, and to do so in the shortest practicable time, will require the Government to take some difficult and, at times, unpopular decisions. We will not undermine the economic future of this State or of the people dependent on the availability of employment opportunities by resiling from those decisions.

The Government, through its Budget Review Committee, is making a thorough examination of all its operations in order to eliminate all unnecessary expenditures, reorder priorities where necessary and ensure that maximum return is obtained for the taxpayer's dollar; and reduce the prospective Budget deficit for 1981-1982 and the need to call on capital funds to finance recurrent operations.

While I am confident of substantial gains from that review, it is not possible to redress the present adverse situation in that way, alone. Regrettably, the Government has little choice but to look to the income side of its Budget also. The purpose of this Bill is to seek to increase the licence fee payable by South Australian wholesalers of tobacco products, from the present level of 10 per cent on their sales to 12½ per cent on their sales, with the increase in July applying to a wholesalers licence effective from 1 August 1981. It is expected that this measure will bring in additional revenue of about $3 000 000 in a full year.

The Government recognises the need to introduce the legislation at an early date in order to give wholesalers and retailers sufficient time to make the necessary administrative arrangements to implement the fee increase and also to give wholesalers sufficient time to collect at higher prices in order to pay for their August licences. The Government is aware that this early action could enable some operators to take advantage of the situation and make a windfall gain at the expense of the consumer. However, on past experience, we believe that this will not happen in this State.

Clause 1 is formal. Clause 2 increases the percentage fees payable in respect of wholesale and retail tobacco merchants licences from 10 per cent to 12.5 per cent of the value of the tobacco sold by the licensee during the relevant period. The increases will operate in respect of wholesale licences issued in respect of the month of August or subsequent periods.

The Hon. ANNE LEVY secured the adjournment of the debate.

MOTOR VEHICLES ACT AMENDMENT BILL (No. 3)

Received from the House of Assembly and read a first time.

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

That this Bill be now read a second time.

It has two principal objects. First, provision is made for the issuing by the Registrar of Motor Vehicles of number plates bearing the slogan 'S.A.—The Festival State'. From 1 July onwards, all vehicles to which new registration numbers are allotted by the Registrar (other than personalised numbers, Government vehicle numbers, etc.) must carry slogan plates issued by the Registrar. Any other vehicle owner may apply for slogan plates as a substitute for his existing plates if he so wishes; however, there is no compulsion to do so. The new slogan plates will be available only from the Registrar, thus ensuring uniformity of design, size and colour. Thus, South Australia will partly be brought into line with other States, where all number plates (whether slogan plates or not) are obtainable only from the registering authorities.

The second object of the Bill is to allow for the gradual phasing in of the new third party insurance premiums. In March, the Third Party Premiums Committee determined new premiums for third party insurance which were intended by the committee to operate from 1 July 1981. While the new premiums appear to be eminently fair and reasonable, the Government is concerned at the impact they may have in relation to the insurance of certain categories of motor vehicles. In cases where extremely heavy increases have been recommended, the Government believes that there is a case for introducing the increases gradually, over a period of time, thus cushioning their impact. The Government proposes to implement this policy by instruction to the S.G.I.C., which is the only insurer presently undertaking third party insurance. However, an amendment to the definition of 'insurance premium' in the Motor Vehicles Act is also necessary. The amendment provides that a reference to insurance premium in the principal Act will mean either the appropriate premium fixed by the committee or a premium notified by the insurer to the Registrar (whichever is the lesser). This will mean that the premiums

fixed by the committee will become, in effect, maximum premiums and will allow for the determination of lower premiums in appropriate cases. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 amends the definition of 'insurance premium' in the manner outlined above. Clause 3 inserts a new section that empowers the Registrar to issue slogan number plates. It is an offence for any person to drive a motor vehicle carrying slogan plates obtained otherwise than from the Registrar. It is an offence for any person, other than a person approved by the Minister, to sell or supply slogan number plates. Clause 4 provides for the making of regulations relating to number plates and the fees for number plates.

The Hon. BARBARA WIESE secured the adjournment of the debate.

[Sitting suspended from 6 to 7.45 p.m.]

The Hon. C. J. SUMNER: Mr President, I draw your attention to the state of the Council.

A quorum having been formed:

OFFENDERS PROBATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 3 June. Page 3774.)

The Hon. G. L. BRUCE: I support the second reading and the principle of the Bill, but I must express grave concern about the aspects of the Bill that have been skipped over so lightly by the Government in another place whilst it was being debated. I will go into that aspect in more depth later.

The Hon. C. M. Hill: It was a six-hour debate.

The Hon. G. L. BRUCE: These matters were still skipped over by the Chief Secretary, and that is reflected in *Hansard*. The Minister in charge of the Bill in another place implied that throughout the formulation of the Bill the Trades and Labor Council had been fully consulted and was right behind the legislation. The Secretary of the T.L.C. expresses no disagreement with the Bill, but there have never been any formal discussions between the Government and the T.L.C. in regard to the clauses and their implementation. We are concerned because that consultation has not taken place. This matter should be reflected in a consensus Bill, and all people involved should be vitally concerned to ensure that its smooth passage takes place.

I indicate now that I have six amendments on file. They have been circulated, and I will now briefly describe them. The first amendment relates to the Workers Compensation Act, and we have taken the provision being introduced in the Victorian legislation as our amendment. Tasmania has a provision which is similar and which has been working satisfactorily. Queensland has a similar provision. From my reading of the debate in another place the Minister did not give convincing assurances in relation to workers compensation. The Minister stated:

> The question of workers compensation has been raised, but this matter is not in the Government's character. A person injured when carrying out work under a community service order has a right to seek common law compensation.

That was the Minister's theme, that there would be no trouble. He further suggests that he would not leave people without a feather to fly, but that does not seem appropriate or adequate in regard to what could happen to people who undertake work orders and are involved in an accident; for example, they could break a leg or cut a hand. If such a person has ordinary employment and if, because of his undertaking a work order on Saturday he cannot attend at his normal vocation for some months, a week or two, or just a few days (many people having dependants and families to care for), it is just not good enough for the Minister to say that he will not leave them without a feather to fly.

What happens when a person is away from work because of injury? In Tasmania, provision has been made for workers compensation, and that provision works well and adequately. We seek assurances that a similar provision will cover people involved in work orders. There must be an assurance that people will not be out of pocket if they are injured in any way. Such people may be classified as prisoners, but they are entitled to protection in regard to their normal work.

Further, the Bill provides for voluntary supervisors. What happens in the case of injury to a volunteer supervisor? Is such a person covered? It may be suggested that they are not workers, but they could still slip or be involved in an accident that could cause them serious injury, despite the fact that they are volunteers. They, too, could have no money and could be off work. This situation is disturbing to the Opposition, and I intend to move an amendment in Committee. We are greatly concerned about this issue.

The second amendment relates to the three persons to be nominated by the T.L.C. This provision is a slur on the T.L.C., because the Government is saying that the T.L.C. is not fit enough to nominate one person in its own right to be the representative on the committee. The Government is asking that the T.L.C. nominate three people and that the Government will have the right to pick one of those nominees to be the delegate from the T.L.C. The Bill requires the nomination of a panel of three persons by the T.L.C. New section 5 *(c)* (1) *(b)* provides that one shall be a person nominated by the Director. This seems to discriminate against the T.L.C. and suggests that it would be less responsible than the Director in nominating an appointee. In Tasmania, the T.L.C. nominates a single member and that situation has worked satisfactorily for several years. Why does the Government not consider a similar provision? I am opposed to the present situation and will move an amendment accordingly.

Thirdly, we seek to provide a right of veto to the T.L.C. in regard to what jobs will be done in certain situations in regard to work orders and the prisoners undertaking those orders. This creates an interesting situation. In the second reading explanation in another place it was indicated that the committee member appointed from the panel nominated by the T.L.C. would have the power to veto any particular guideline proposed by the committee.

That sounded very good. The shadow Minister in the Lower House moved that it be incorporated in the Bill and then there would be no undue concern by the Trades and Labor Council that the interests of the workers that the council represented would be protected. Such an assurance was given verbally; it was denied that it had been put into the Bill, and consideration would be given to it. The second reading explanation given in this Council deleted it completely, and a Ministerial statement was made in the other House by the Chief Secretary, the Minister responsible for this Bill. The Chief Secretary said:

> On 5 March 1981, I introduced a Bill to amend the Offenders Probation Act, 1913-1971. The explanation of the clauses was inserted in *Hansard* without my reading it . . .

He did not read it. He continued:

> . . . and, as part of the explanation of clause 7, it was stated that the member of the Community Service Advisory Committee appointed from the panel nominated by the United Trades and Labor Council will have the power to veto any particular guideline proposed by the committee.

This is interesting. He did not know it was in the Bill, did not know it was in the second reading explanation, and did not know what was going on. He also said:

> The provision in the Bill had been deleted by the Government and the Bill before the House is as it was approved by the Government. There should have been a corresponding deletion with respect to the power of veto in the explanation of clauses. However, this was an oversight.

The Hon. C. M. Hill: Obviously he is correcting it.

The Hon. G. L. BRUCE: He introduced the Bill and he made this statement. He continued:

> I have had discussions with Mr Bob Gregory, who is Secretary of the United Trades and Labor Council, who supports the concept of community service orders in principle and concurs in the proposal of a United Trades and Labor Council member on the committee.

He failed to say that no further consultation had taken place with the Trades and Labor Council. There was no indication of what the clauses were, no indication of how they were to protect these people giving voluntary service, no indication of how they would be looked after regarding compensation, no indication of the work, and no indication about the jobs of persons that the Trades and Labor Council represented. The Minister had discussions with Mr Gregory, but they were very fleeting. In his statement, he went on:

> As I indicated in my speech in this place on Tuesday 2 June, the determination of guidelines for the approval of projects and tasks suitable for the community service scheme will be one of co-operation between all members on the committee.

He has not taken the trouble to formally discuss the matter with the Secretary of the Trades and Labor Council, whose goodwill is vital to see that the projects are carried out. Everyone wants to see the arrangement work. The Chief Secretary went on:

> Work projects selected for the scheme will not deprive the community of employment opportunities as stated many times in this place, and the input from the United Trades and Labor Council's nominee will be valuable in this regard.

If it is valuable in that regard, why did he not discuss the matter with the Secretary of the Trades and Labor Council in South Australia?

The Hon. C. M. Hill: I said he did.

The Hon. G. L. BRUCE: He discussed it on a very low key. There was no formal discussion. We say that there is no reason why that veto for the Trades and Labor Council should not exist. The main function of the Community Service Advisory Committee is stated as the vetoing of work carried out by the probationer. This provision is important because of the danger of destroying work opportunities for the unemployed by the use of free labour.

In his second reading explanation, the Minister also stated that the Trades and Labor Council will have the right of veto. However, then he gives the explanation of why it does not appear. It is not good enough for us. What has been happening in Tasmania? That is the only legislation to which we can refer with authority, because it has been working there. Section 16 (2) *(b)* of the Tasmanian Act provides:

> . . . shall not decide upon a form of work or activity for the purposes of section 12 without the concurrence of the member so nominated.

They are referring to the United Trades and Labor Council. The Act provides that the committees there 'shall consist of three, four or five persons of whom one shall have been nominated for the purpose by the body of persons known as the Tasmanian Trades and Labor Council'. Tasmania has no qualms about doing the right thing and seeing that people are protected from free labour by probationers. Surely the safeguard should be written in here. The fourth amendment that we seek is that the Trades and Labor Council also be represented on the Community Service Advisory Committee, which is the lower level. This does not happen in Tasmania, because one committee handles all the aspects and here it is in sections, but we believe that a representative should be on that committee to see that work is not taken from Trades and Labor Council members.

Our fifth amendment seeks approval for the Trades and Labor Council to be represented regarding approval of the projects involved. The sixth amendment seeks to take any political taint out of that clause. We believe that a stipendiary magistrate is the one person to support the Minister. We see it as bad legislation when the Minister himself is solely responsible for the taking away of the supervision of any person working under this probation. It could have the taint of political overtones. We believe that the matter should be taken out of the political field.

The Hon. R. J. Ritson: And put in the hands of the Trades and Labor Council?

The Hon. G. L. BRUCE: No. The Bill provides:

> Where the Minister is satisfied that the conduct of a probationer under supervision has been such as to make it unnecessary that he should be under supervision any longer, and that it would not be in the best interests of the probationer for him to remain under supervision, the Minister may, by instrument in writing, waive the obligation of the probationer to comply any further with the condition of his recognizance requiring him to be subject to supervision.

We are saying that not only the Minister should be involved in that, and we believe that a stipendiary magistrate should be involved. Other matters in the Bill concern us, and possibly the Minister could explain why they are there. New section 3 *(d)* inserts in paragraph *(a)* of the definition of 'offence' after the passage 'indictable offence' the passage 'other than murder or treason'. We feel that a lot of crimes other than murder or treason are involved. It should be spelt out loud and clear why we have murder and treason and why other crimes are not spelt out. Apparently, the Government would not consider involving any criminal on a serious charge in this Act.

We are concerned that it could be seen by the public that someone on a serious charge would be able to avail himself of these work orders. New section 3a (5) provides that the Minister shall promote the use of volunteers in the administration of this Act to such extent as he feels appropriate.

We are very concerned that, if this scheme gets under way, it cannot function purely under voluntary supervision. We believe that it needs a strong and forcible hand to make it work. It must be perceived by the public to be working, and the fear of under-supervised or voluntary supervision in the first part of the scheme is not good enough. We require proper supervision to see that the work orders are carried out in the initial instigation of the scheme. We come back to the same situation where the Minister shall promote the use of volunteers. We are very

concerned with the coverage of those volunteers on a compensation angle. Are they covered by some scheme? I cannot see where they are.

The Hon. R. J. Ritson: Do they get compensation while they are in gaol?

The Hon. G. L. BRUCE: No, but they are not going outside to work. If somebody is committed to gaol for a period and injures himself, he is still serving his time. Such people are not out in the community earning a living, and that is the point that we are making. It is a difficult situation to consider.

Members interjecting:

The PRESIDENT: Order!

The Hon. G. L. BRUCE: The promoting of volunteers in the administration of the Bill is of concern to us. We do not believe that volunteers in these circumstances are warranted. We also query the provision for 240 hours in clause 6 *(a)* (1) *(e)*. As I understand it, in Tasmania the provision is for 25 days. What counts as a day or what counts as 240 hours? Provision is made in that 240 hours for an education class. In Tasmania the Act provides for circumstances where one cannot attend on a certain day. If the work cannot be performed, does that count as one of the days, or how does it work? It seems vague compared with the Tasmanian legislation. These specifics are not spelt out.

In Tasmania, provision is made for minimum periods of working. If one works for only an hour or two, it can count as one of the 25 days. Another area not covered in the Bill is that of travelling. We are asking a person on probation to front up to a situation where he has to work on a Saturday. No provision is made for travelling. The Tasmanian Act provides:

> (3) For the purposes of subsection (1), an employee shall not be required to travel between his place of abode and the place at which he is required to report, in addition to the distance for which transportation is provided, a distance, measured by the shortest practicable route, of more than 11 kilometres.

No consideration is given to that in this Bill. Possibly the Government will be able to explain that situation when it comes to it. The other matter of concern referred to in the other House is in relation to clause 6 *(a)* (1a) which provides:

> A court shall not include in the same recognizance conditions both under subsection (1) *(a)* and under subsection (1) *(e)*.

It would appear that section relates to a probation officer and a community officer. It would appear that a community officer serves the same situation as a probation officer. My colleague in another place stated:

> Subsection (1) *(a)* requires that a probationer be under the supervision of a probation officer and subsection (1) *(e)* requires that a probationer undertake a specified number of hours of community service under the control and supervision of a community service officer. I have been able to find out that in Tasmania the community service officers are not probation officers, and they ought not to be. However, persons who are on a bond and who are doing community service work will treat their community service officers as probation officers. They will seek advice from them as to budgeting and advice on a whole range of questions which a probation officer is more competent to reply to. So, what has happened in Tasmania is that community service officers or works order officers are finding themselves being placed in the situation of a probation officer for which they have no training.

The concern is that the situation could become very awkward, where we have untrained people as probation officers. We need an assurance that there are no problems involved. It has been indicated that a probationer will be required to attend a community service for two hours. We do not disagree with that but could the curriculum for that two hours work be advised. What will be laid down, and what is being considered here? Are we going to teach the people concerned to read or write, or what? We believe that the two hours spent on education should be gainfully spent and be associated with that person's problem. Will it be tailormade to suit the individual and not just a sausage machine job? Also, there is no appeal against the 24-hour sentence provided in clause 7, subclause (4) of which provides:

> Where the Director is of the opinion that a probationer has failed to obey a reasonable direction given to him by his community service officer in relation to his conduct or behaviour while undertaking community service, the Director may, in lieu of commencing proceedings for breach of recognizance, require the probationer, by notice in writing served personally upon him, to perform a number of additional hours of community service work during the term of his recognizance, and any such hours shall, for the purposes of this Act, be deemed to be hours that were specified by the court in the conditions of the recognizance.

We believe that the probationer should have the right of appeal if he thinks that he has been subjected to an unfair imposition by the Director. If he knows that he has been wrong and should get that 24 hours, that is fair enough. However, if he thinks that an injustice has been done, there should be an appeal. If he goes back to the court he could get more than 24 hours, and that is the chance he would take, but he should have an opportunity to put his case.

The Opposition does not consider that it should be mandatory for the Minister or the Director to say, 'You are up for another 24 hours because you have not been going as we feel you should have been going.' If an individual is prepared to wear that, well and good. However, the Opposition believes that there should be a right of appeal for individuals who will not wear it. I should like the Minister to advise members on that matter when he replies.

Another matter that concerns the Opposition is paragraph *(b)* of new section 5c (9), which provides that a community service committee shall not approve a project or task for community service work if a probationer, in undertaking that project or task, would perform any work for which funds were available. The Government is laying down the guidelines under which jobs shall be done. However, the Opposition is concerned that funds may not be made available. Although our beaches or foreshores might need cleaning up, the Government might not make the funds available to enable that work to be done.

The Hon. R. J. Ritson: Would you like us to scrub that provision?

The Hon. G. L. BRUCE: I believe that it should be there, but I am seeking an assurance from the Minister that this sort of thing will not happen. Under the provision as it reads at present, although funds could be available, they could be cut off. The words 'where funds are available' become a bit of a mockery, as an effort could be made by the council concerned or the Government not to make them available. This is where I see a right of veto by the Trades and Labor Council entering into the matter. After all, those people would know whether funds had been available in the past.

The Opposition considers that the Trades and Labor Council should have a right of veto. If this is not provided for in the Bill, it will occur in practice, and we will have pickets, strikes, and goodness knows what else. Also, the Opposition is concerned that unemployed people could be

doing this work.

Another Opposition concern relates to new section 7 (1), which provides that a probation officer to whom a probationer has been assigned for supervision may give reasonable directions to the probationer in relation to certain matters. The Opposition is concerned about the phrase 'may give reasonable directions'.

I refer also to new section 7 (2) *(a)*, which provides that a community service officer to whom a probationer has been assigned for community service may give reasonable directions to the probationer in relation to certain matters. We are concerned about what constitutes 'reasonable directions' and about the person who must be responsible for supervision. There is no right of appeal if a prisoner is given an extra 24 hours because he has been involved in a particularly unpleasant or dirty job. Some jobs that are considered suitable by one person may be abhorrent to another. The safeguards in relation to reasonable directions should be strengthened up, so that, when a probation officer or a community service officer gives what he considers to be a reasonable direction but what is considered by the person concerned to be unreasonable, the matter can be examined. In this way, a prisoner can question what he considers to be an unreasonable direction.

The Hon. R. J. Ritson: You're really proposing a court case every time that the probationer does not want to do what he's told.

The Hon. G. L. BRUCE: The appeal on the 24 hours is really a court case. I am not saying that there should be a mandatory or automatic right of appeal. However, a probationer ought to have some right of appeal in case he wants to make use of it. If the probationer is not willing to take an unreasonable direction, a right of appeal should exist somewhere; that would be fair play. I do not think that probationers should lose all their rights. Surely they are entitled to some consideration and to a right of appeal along the lines that I have suggested.

The Hon. R. J. Ritson interjecting:

The Hon. G. L. BRUCE: That is not necessarily so. It would not have to be done there and then. With the reservations to which I have referred, the Opposition supports the second reading of this Bill, which should be consensus legislation. Neither the Opposition nor the Trades and Labor Council is opposed to it in principle. Unfortunately, however, there have been no discussions between the Government and the Trades and Labor Council on the matter and, as the Opposition considers that the Bill should be tidied up, I intend to move a motion so that consideration of the Bill will be deferred.

As the Trades and Labor Council will, after all, be able to make or break the legislation, it should be involved in the matter. Without its support, and without the consideration of the Bill's provisions by the Trades and Labor Council (because, after all, the Bill will affect the people that the T.L.C. represents), the Government is putting the Bill in danger by not dealing with it in a proper manner and without having proper discussions on it. After all, consensus Bills are better than those which are introduced in a forced situation. There is no way in which the Bill will not go through or will not get the support of the Trades and Labor Council; it must be more of a consensus Bill.

The Hon. C. J. Sumner interjecting:

The PRESIDENT: Order! I ask honourable members to come to order and to allow the Hon. Mr Bruce to continue.

The Hon. G. L. BRUCE: For the reasons that I have given, I move to amend the motion 'That this Bill be now read a second time' as follows:

By striking out 'now' and inserting after 'time' the words 'this day six months'.

If the motion is carried, it will be up to the Government to reintroduce the Bill. I understand that it can be introduced during the new session, which commences in four or five weeks, and in that time the Trades and Labor Council can be consulted. Consideration of the Bill does not have to be deferred for six months.

The Hon. K. T. Griffin: It's a bit like the Select Committee on unsworn statements, which was only going to take so long.

The Hon. G. L. BRUCE: I do not know about that. That is dragging a red herring across the trail. I am merely seeking to have consideration of the Bill delayed in order to enable the Trades and Labor Council point of view, which has not yet been put, to be considered. I have moved the motion for that reason and for all the other reasons to which I have already referred. In this way, all the matters that I have raised could be considered gainfully in conjunction with the Trades and Labor Council. In fact, the Opposition firmly believes in the principles of the Bill. There is no way that the Opposition would oppose the Bill in principle. We are simply looking at the mechanics of the Bill to ensure its smooth implementation.

The Hon. C. J. SUMNER (Leader of the Opposition): I do not wish to canvass all the matters referred to by the Hon. Mr Bruce, but I do wish to draw the Council's attention to one particular matter. I am sure that members opposite must see the legitimacy of the points we are making. The Hon. Mr Bruce said that there had been no discussions with the Trades and Labor Council, except a brief telephone call to the Secretary, who said that he supported the general principles of the legislation. Since then there has been absolutely no contact at all. This Government is effectively excluding the Trades and Labor Council from considering this Bill. Of course, members of the T.L.C. are concerned about whether this legislation will be used for people on community service orders to carry out work that is normally done by paid employees: in other words, to replace paid employees. That is a very legitimate concern.

The Hon. R. J. Ritson: Get it into Committee and adjourn it until Thursday.

The Hon. C. J. SUMNER: If the Government will give the Council an undertaking that it is prepared to discuss the matter and enter into meaningful negotiations with the Trades and Labor Council over the next day or so, we would certainly be prepared to consider that option. We do not want to be unreasonable about this matter, but the Government's attitude and the sequence of events in relation to this Bill can only leave us with a feeling of suspicion about the Government's motives. There can be no other conclusion. The Minister in another place said that the Trades and Labor Council would have the right of veto. After the Bill was introduced in March this year, which is more than three months ago, and after it had been debated in another place, the Minister suddenly said, 'Whoops, sorry, I made a mistake. I gave you all those commitments about the T.L.C. having the right of veto, but now I am going to withdraw them.'

I think honourable members and members of the public who are concerned about this issue ought to know what the Government is doing. The Government has made a commitment through the Minister in another place, in a second reading explanation and in debate in Committee, about this matter; it is now withdrawing that commitment. The Government is pulling back and is no longer prepared to stand by the commitment it made in another place. I

would like members opposite to try to deny that. Of course, they cannot deny it. It is a confidence trick, because the Government is withdrawing from the commitment that it has given.

The Hon. K. T. Griffin: No commitments were given.

The Hon. C. J. SUMNER: The Attorney-General says, 'No commitments were given.' I will detail the history of this Bill so that members can see that commitments were given.

The Hon. C. M. Hill: What about the personal explanation?

The Hon. C. J. SUMNER: I know about that.

The Hon. C. M. Hill: Well, you should mention it at the same time.

The Hon. C. J. SUMNER: I will mention it. The Minister made certain commitments in another place on Tuesday. He then made a personal explanation on Thursday, because he was sat on by the Government. The Government decided that it did not like this provision so it sat on the Chief Secretary and said, 'Listen Alan, we know you have a reputation for being a bit of a bumbler. If you explain it on that basis everyone will say that it's just old Alan making another blue.'

The PRESIDENT: Order! The Leader must not refer to the Chief Secretary in that way. Are you quoting someone?

The Hon. C. J. SUMNER: I am quoting what the Government said.

The PRESIDENT: The Leader is only presuming what the Government said. If he is going to refer to members in another place he must refer to them properly.

The Hon. C. J. SUMNER: The Hon. Mr Griffin who, among others, was a prime mover for this legislation, probably said, 'The Hon. Mr Rodda, Chief Secretary, I think the Government has made a mistake, and we will have to change our point of view. Everyone in Parliament knows that you have made so many blues over the past 18 months, so another one will be taken as read.'

The Hon. K. T. Griffin: He hasn't made any blues; he's cleaning up the mess your Government made.

The Hon. C. J. SUMNER: He has made a lot of blues. The Government saw this as a way to get out of this particular dilemma. This is a serious matter, because the Government has withdrawn a specific commitment. There is no doubt about that. I believe it is gross incompetence on the part of the Chief Secretary. In fact, it is appalling incompetence and he should resign. If that is not the case, then the Government has obviously sat on him after changing its mind on a crucial issue after it had introduced the Bill and debated it in another place. Is it the absolute incompetence of the Minister, or has the Government changed its mind? I suspect that the Hon. Sir Murray will reply to that. When this Bill was introduced in another place on 5 March, the Hon. Mr Rodda, in his second reading explanation, said:

> The committee member appointed from the panel nominated by the Trades and Labor Council will have the power to veto any particular guideline proposed by the committee.

There was to be a Trades and Labor Council representative on the committee who would have the power of veto. This Bill was debated in another place last Tuesday, and the Opposition was pleased to see that the Government appeared to be quite reasonable about the matter. The shadow Chief Secretary moved an amendment providing that any guideline established by the community service advisory committee would not have any effect unless the Trades and Labor Council agreed with it. That amendment was precisely in line with the tone of the Minister's second reading explanation. Mr Keneally expected that amendment to be accepted with alacrity by the Minister. However, the Minister said that the Government did not want it enshrined in the legislation, although the Government agreed with it. The Minister said:

> I undertake that the Trades and Labor Council will have a right of veto.

Mr Keneally then said:

> The Minister assured us that the member would have the power of veto.

There is no doubt about that and it cannot be argued. In his reply the Minister said:

> What is wrong with the Government's word?

The Chief Secretary promised Trades and Labor Council veto but did not want it in the Act because the Government's word was good enough. Mr Keneally, being a new shadow Minister, wanted to explore this issue. Normally one would expect that he could take the Government at its word on this issue, but he pressed the matter a little further. The Hon. Mr Rodda stated:

> The member for Mitchell, the Shadow Minister and I know that the Government will not put people under the community service order scheme in a situation that will cause the Trades and Labor Council to use a veto. There will be a spirit of co-operation. Surely we do not have to write into legislation the fact that someone has a veto over a properly elected Government.

Here the Minister is agreeing and saying that the T.L.C. has the right of veto over guidelines established by the committee. At least twice in the debate on Tuesday the Minister accepted that proposition. What happens next? The amendment moved by the Opposition is defeated, yet we still have the firm commitment of the Government in the debate. What is the position on Thursday, just two days later? The Bill has been on the Notice Paper after being introduced three months earlier. We then had a debate in another place where the Minister gave a specific commitment and said that it was not necessary to write this power into the legislation because his is an honest Government. He asked the Opposition to accept his word, yet on Thursday in his Ministerial statement the Hon. Mr Rodda stated:

> There should have been a corresponding deletion with respect to power of veto in the explanation of clauses. However, this was an oversight.

That is absured. How can it be an oversight when the Minister fully discussed it on Tuesday? He was questioned about it at length and said that the veto would apply. On Thursday he said, 'Sorry, part of the Bill I introduced in March was an oversight. Yes, I forgot about it; it was a bit of a temporary lapse'. I appreciate that the Minister is under much pressure—

The Hon. L. H. Davis interjecting:

The Hon. C. J. SUMNER: The Hon. Mr Davis would like to take his job. I appreciate all the pressures in the Liberal Party that are on the Hon. Mr Rodda.

Members interjecting:

The PRESIDENT: Order!

The Hon. C. J. SUMNER: It is well known that the Hon. Mr Rodda is under enormous pressure. Surely he cannot be under that much pressure.

The Hon. M. B. Dawkins: He had to clean up the mess you left.

The Hon. C. J. SUMNER: How does the Hon. Mr Dawkins explain this extraordinary chain of events?

The PRESIDENT: Order! The Hon. Mr Dawkins would be better off if he kept out of the argument.

The Hon. C. J. SUMNER: I agree. On Tuesday the Minister gave a commitment and on Thursday he said it was an oversight. How can it be an oversight? I come back

to my original proposition: either the Minister is a fool or a complete incompetent and the Premier should dismiss him—and the Hon. Mr Davis could buy the champagne —or the Government has stepped in and the Minister knew what he was doing all along and had Government approval (and this is what I suspected to be the more likely).

I suspect that the Hon. Mr Rodda is not as silly as many of his back-benchers like to think. I suspect that he was giving his policy in another place, that it was the Government policy, and then the Hon. Mr Griffin and the Hon. Mr Dean Brown and the Hon. Mr Goldsworthy and those hard-headed members of the Liberal Party said, 'Allan, what a terrible thing that has been done—

The Hon. L. H. Davis: They've already given out the Academy awards this year.

The Hon. C. J. SUMNER: That is okay, but the honourable member deserves one for his speech on the Supply Bill. They said that they could not live with that provision in the Liberal Party and that if they had to address a Liberal Party sub-branch meeting and admit to having given the T.L.C. the right of veto they would lose their preselection. I believe that this is what happened. The Hon. Mr Rodda was then leant on by Liberal Party members, and Cabinet said, 'We have to do something about this, and the only way out is for you, Allan, to say that you made a mistake'. That is what the Hon. Mr Rodda, as a loyal Liberal member of the Government, has done. He is the fall guy for the Liberal Party and its absolute incompetence over this issue.

I am astounded by this matter. In the five years that I have been in this Parliament I have never seen anything like this happen, where something is debated in the Lower House, is accepted by the Government, and the Government's word is given by the Minister responsible and is then subsequently withdrawn. It is scandalous and indicates the extent to which this Government has not discussed the matter with the T.L.C. and is unwilling to discuss it with the T.L.C. That is why we will be moving this amendment.

If the Minister is willing to give an undertaking in this respect we could review our attitude, but the Government has had 3½ months to discuss the matter with the T.L.C. and it has not done so. In his reply I would like to know from the Minister what is his answer to this ridiculous chain of events and whether or not he is going to discuss the matter with the T.L.C. to try to come to some reasonable solution in regard to this Bill, which we support in principle.

The Hon. K. L. MILNE: I support the Bill in principle. I congratulate the Government on a progressive experiment. We are not the first State to undertake this action, but it is a sensible move which should be supported. I support the Hon. Mr Bruce and indicate to him that I am swayed by his eloquence. I am not sure that I am convinced by the Leader. Whether or not there is a commitment does not stir me greatly.

The Hon. C. J. Sumner: You do not mind the Government lying?

The Hon. K. L. MILNE: I do not understand whether or not it is lying, and I do not wish to debate it. The Opposition will support this Bill in principle, and I hope that the Government does not take unnecessary umbrage if it does not go exactly as planned. The Hon. Mr Bruce referred to a delay of six months, but it will not be six months before the Government has the opportunity to implement the legislation.

The Hon. J. C. Burdett: It might not get to Committee.

The Hon. K. L. MILNE: Do not expect us to be sympathetic and rational if the Government allows only two weeks to deal with these Bills in such a short session. That is how I feel. It is no use starting a scheme like this which needs much careful thought and co-operation if one side—the T.L.C.—is not wholly convinced of the rules under which it is working. It wants only to know what are the rules and what it is letting itself in for.

The Hon. R. J. Ritson interjecting:

The Hon. K. L. MILNE: There has been a commitment from a representative of the Labor Party, the Hon. G. L. Bruce, speaking for the Trades and Labor Council, and his commitment is just as good as the Government's commitment. After all, what the Trades and Labor Council is really saying is that it wants to ensure that criminals on probation are not getting jobs without pay, jobs that should go to their own members who are not criminals, not on probation, but who are solid hard-working citizens, and I do not blame the council. I am personally delighted to see the council given a responsibility of this kind. It is positive and sensible and the kind of responsibility that Bob Hawke and others think about.

It is the sort of thing the unions will do in future other than acting in regard to wages and conditions. They are thinking about other people in trouble. That is how they started out before the First World War and this is what they will come back to. This is the kind of responsibility we can place on them, and I will bet they will not let us down.

Members interjecting:

The PRESIDENT: Order! I call the Leader to order.

The Hon. K. L. MILNE: I hope that the council or individual unions will be given this responsibility in future. The reason why the Opposition is asking for deferment, I think, is that two weeks of a session of Parliament may be all right for the Government, which has the opportunity for preparation. We have not, and it is not fair on me, in particular. You know perfectly well by now that I cannot make a decision without hearing the debate. I hope we will not have short sessions of two weeks after a three-month adjournment. This is not a proper working of a two-House system. If you do not want two Houses, say so. If you want them, you have to give them an opportunity to work.

The Hon. R. C. DeGARIS: I do not intend to canvass the Bill.

The Hon. Frank Blevins: Sit down, then.

The Hon. R. C. DeGARIS: I intend to canvass some things that have been said on the motion before the House, if that satisfies the Hon. Mr Blevins. I have listened to the Hon. Mr Bruce and I congratulate him on his contribution. I do not know that we agree entirely with what he has said but he presented his address in a manner that should allow members time to think about the issue. I point out that the motion that he has moved is not a motion to amend the Bill. It is the only way a Bill can be defeated.

Even the defeat of a Bill at a second reading does not defeat the Bill for that session. Everyone so far in the debate has said that he supports the Bill in principle. Members are not supporting the Bill in principle by deferring it for six months, because that is the defeat of the Bill. It is the only way a Bill can be absolutely defeated. Blackmore, referring to the six-month admendment, states:

> This Amendment cannot be amended, and, if carried, effectually disposes of the Bill for that Session. Our Standing Order 284 is very emphatic in confirming this, which has always been the best Parliamentary practice, and it lays down that its suspension may not be moved.
>
> The postponement of a Bill in this manner is regarded as

> the most courteous method of dismissing the Bill from further consideration, as the House has already ordered that the Bill shall be read a second time . . .

Blackmore goes on to show clearly that deferral for six months is the defeat of the Bill. If members agree with the principle at the second reading stage and, if they believe in what they say, they should pass the second reading and they can refer the Bill to a Select Committee. Once they have the Bill in the Committee stage, it can be adjourned or revived for debate in the next session. I do not know whether the Bill should be considered further or not but, if the Council considers that it should be, I suggest that the second reading pass and then let us take action to see that it is revived in the Committee stage.

The Hon. N. K. FOSTER: I was content with this matter until it was almost sabotaged by the intricacies that are known only to members of the Liberal party and the Government. If Cabinet does not know what it is doing from Tuesday to Thursday, that is its business. I think the hand of the member for Davenport is showing in respect of this matter, because in that person's portfolio capacity, right throughout his inexperienced Ministerial period, he has made overtures to certain areas of industry, such as the Trades and Labor Council and some unions, and then has backtracked on what he promised. There is nothing new if we look at the member for Davenport and the way he goes about things. Any criticism of Mr Rodda, Allan Rodda, or whatever you call him—

The PRESIDENT: It is not a matter of what I call him. It is a matter of what you call him.

The Hon. N. K. FOSTER: I am referring to the Chief Secretary, the member, whatever you like. Some people have asked why he is a Minister. I thought it was well known. Was not Tonkin's job on the line a couple of years ago? Was he not within one vote of defeat and did not Tonkin exercise Rodda's proxy vote to get him where he is?

The PRESIDENT: Order! I have called the honourable member's attention to the fact that he is not to refer to members of another place by their surname.

The Hon. N. K. FOSTER: Mr Rodda owes his position as Minister to the fact that when he was overseas he left his vote—

The Hon. R. J. RITSON: I rise on a point of order. I ask you, Mr President, to rule on the relevance of this material in relation to the matter before the Council.

The PRESIDENT: That will be left to my discretion. The Hon. Mr Foster.

The Hon. N. K. FOSTER: That gentleman owes his position in this place to the fact that nobody else was available for preselection when the Liberal Party got caught in the rush of the Corcoran election. The principle and intent of this Bill have been rendered worthless. There is no doubt that the Government will continue to criticise members on this side of the Council because the previous Government did not do anything about it. The previous Government had an inhibition which those of Liberal persuasion have never had to put up with. Whatever the previous Government had in mind or put forward to Cabinet had to be finally assessed on the basis of whether or not it would receive any accord in the Upper House, which was run by a handful of Liberal members. The history of rejection and the number of amending motions that fill the pages of *Hansard* will attest to that. The Liberals did not stop, either. Going back further than the 1970's there was an overwhelming mandate for electoral reform in this State. They continued to throw it out.

Inherent in the introduction of this legislation are the *bona fide* approaches the Government made to certain sections of the community. There has been an about face in a tragic and most unscrupulous manner to the Trades and Labor Council. I do not know whether the Chief Secretary has gone to the community service areas as outlined in the second reading speech where he stated:

> The community service will offer an offender an opportunity to repay his debt to the community in a tangible manner outside the prison environment.

He further stated:

> The function of the committee is to formulate guidelines suitable for a community service scheme. It also provides a community service committee.

Has the Minister gone to any community service committee and said that the Government was seeking advice and floated the idea with them? As the Bill has been presented, the Government is not going to back track. I will bet a bob to a quid that the Minister has not done that. Why has he discriminated in that regard against the Trades and Labor Council? Has the Chief Secretary allowed himself to be pushed into a corner by the member for Davenport, whose hand is in this?

The matter raised by the Hon. Mr. Milne is one of great importance, that is, whether or not the *bona fides* of the Minister are going to be kept or not. There has been no meaningful contact with the Trades and Labor Council and no suggestion of support coming from discussions in that area. There is an absolute necessity to not only have discussions with them but for there to be sufficient time to ensure there could be no misunderstanding between the Parties. As I know the Trades and Labor Council and the trade union movement, it will be capable of keeping its word, no matter what the magistrate from Mannum might say. I challenge any member on the other side to go through the Parliamentary records and cite one example of where the trade union movement has completely and utterly broken a promise. I can recall one transcript in relation to the building industry where a matter was before one or more judges of the Arbitration Court. There was a great deal of industrial unrest and bastardisation within the trade union movement. I make no apologies for saying that. That is the only case that members could pick up. However, if one looks at the number of cases of broken promises by employer organisations one would be astounded. One might turn one's mind to the exploitation of youngsters in this State by MacDonalds and by Target stores and the Australian Hotels Association. What I am saying is relevant in the context of—

The PRESIDENT: It is very questionable.

The Hon. N. K. FOSTER: The Government's actions are questionable. We can look at the award payment of Aborigines in the cotton fields in the north—

The Hon. J. C. Burdett: I rise on a point of order. Standing Order 185 provides that no member shall digress from the subject. The honourable member has digressed very much.

The PRESIDENT: I uphold the point of order.

The Hon. N. K. FOSTER: I agree with the point of order. Looking at the Minister is enough to make anyone digress.

The PRESIDENT: I ask the honourable member to concentrate on the Bill before the Chair.

The Hon. N. K. FOSTER: The Government has to resort to all sorts of odd ways to smooth over its mistakes. Cabinet solidarity is one thing; Cabinet stupidity is another. If this matter was discussed by Cabinet, the member of the razor gang here—the Leader of this Council and the person claiming to be the absolute in so far as legal matters are concerned—has something to answer for. He ought to be on his feet assuring members on this side of the Chamber that a grave mistake has

occurred, a grave misunderstanding, in regard to the Trades and Labor Council.

It must be rectified in the interests of the Minister's Bill and the report, which, it has been said, the Opposition has delayed for eight years. The Hon. Mr Milne is in a somewhat different position from the Minister. The honourable member wants more time than that to enable him to discuss the Bill in the light of the representations that he has received.

The Government should not try to justify its guilt. It should release itself from that agony by realising that, by not allowing further time for this matter to be debated, it is merely compounding the problem by committing another grave error and mistake.

The Hon. FRANK BLEVINS: It is regrettable in a debate on an issue such as this, when the principle involved is agreed by all members, that the Council has brought itself to a halt and bitter arguments have occurred. Some harsh words have already been spoken.

The Hon. J. C. Burdett: By your side.

The Hon. FRANK BLEVINS: No Government members, with the exception of the Hon. Dr Ritson, who has interjected, have yet spoken. The principle of this Bill is completely supported by the Trades and Labor Council, because, in the main, it is working-class people who are injured. Of course, members of the ruling class transgress society's morals by accumulating their wealth, but they certainly have no need to transgress the law. Even if they do so, they can afford expensive lawyers to get them off. So, whatever the reason, it is the majority of working-class people who are in gaol. It does not cost the working class person just the loss of his liberty for a few weeks or months: it also costs him his job. When that person comes out of gaol with no job or money, the temptation to return to crime is very great. In fact, one could say that it is almost a necessity.

To try to break that vicious circle, the Trades and Labor Council completely agrees with the principle of this legislation, so that a person who is convicted of a crime can continue to work and provide for his family, as well as pay his debt to society (although I do not always agree with that phrase) and be no charge on society. That is why the trade union movement and the Labor movement as a whole passionately support the principle of action such as this.

However, to have a scheme like this work, it is essential to have the co-operation of the trade union movement. With the best will in the world, the Government cannot operate such a scheme without that co-operation. Immediately there is any dispute about whether a certain project or scheme is replacing paid labour, there will be picket lines everywhere. The trade union movement cannot and will not allow unpaid labour to do its members' work, and nor should it. The Hon. Mr Milne put it very well: the Trades and Labor Council, in protecting its members, has every right to take exception to unpaid labour coming in and taking away the livelihood of its members.

I do not know whether this is just a foul-up or deliberate sabotage of this proposition. If I was a cynic, I would read the scenario as follows: the Minister came into office and, having had a look around, said, 'What legislation is around?' He then found this programme (one of the Labor Party's programmes) and decided to put it before Parliament. He then put the whole lot before Parliament and someone (not necessarily the Minister, but certainly the Government) has had second thoughts about it.

Some members, although not all, see this as a weak programme, instead of the traditional conservative programme of bashing offenders legally, perhaps not physically, and coming down with a strong tough and hard law and order campaign. That is what some Government members like; it does not matter what it costs, as it satisfies their conservative leanings. I suspect that that is what has happened. If I was cynical, I would say that is definitely what has happened. However, whether or not that is the scenario, the Government is proceeding with this scheme.

Unfortunately, the scheme does not have the essential element that is needed to make it work: it does not have the co-operation of the trade union movement, first, because it has not sought that co-operation. There has been some brief discussion (I believe that it was not a face-to-face conversation but a telephonic conversation) with the Trades and Labor Council regarding the principles of the scheme, with which the Trades and Labor Council concurs. However, there have never been detailed discussions with the Trades and Labor Council on it.

There is no doubt that the Minister's statement in the second reading explanation that this had occurred was misleading. I do not know whether it was misleading because of incompetence or whether it was deliberate. The Australian Democrats representative and Labor Party members are asking the Government to have meaningful discussions with the Trades and Labor Council. However, this has not occurred, and everyone in this place knows it. Neither the Trades and Labor Council nor the Opposition tells lies. Meaningful discussions have not occurred and, without those discussions, the programme will fail. The Government knows this. What I am saying is not a threat: I am merely spelling out the reality of the situation. If the Government is serious about this programme, it will do everything it can to see that it does not fail. I really wonder whether or not the Government is serious about it.

I now refer to the question that the Hon. Mr. DeGaris raised. He said that the Hon. Mr Bruce's proposition would ensure that the legislation was defeated in some kind of gentlemanly manner and that it would disappear. In one way, that is true. However, there is nothing whatsoever to stop the Government, when the next session commences on 16 July, which is only five weeks away, from introducing the Bill again. That date is only five weeks away, but I am not asking for five weeks, as did the Hon. Mr. Bruce: I am asking for only two days. I am asking the Government, on an issue as important as this, to give the Minister and the Trades and Labor Council 48 hours to see whether some agreement can be reached. If Government members believe that this House of Review has any role at all to play, it will give us that 48 hours. We can come back here on Thursday and debate the Bill after meaningful discussions have occurred.

The Hon. J. C. Burdett interjecting:

The Hon. FRANK BLEVINS: We are now at the second reading stage of the Bill, and the Minister of Community Welfare is entitled to speak. However, I wish that he would not interrupt, because this is not the kind of issue that is best debated by interjection or by members laughing at one another, as the Minister did when the Hon. Mr Milne was on his feet.

This is not an issue where that should be done. Other issues may be less serious where the Minister will have an opportunity to indulge in frivolity. Shortly I will be seeking leave to conclude my remarks. Hopefully, the Government will agree to that course of action, because I cannot demand that I have that leave. I am simply asking the Council to grant me leave to conclude my remarks in 48 hours. Hopefully, in that time the Trades and Labor Council and the Government will get together and work out a satisfactory course of action.

In the six years I have been a member of this Chamber I have come to know members on both sides. I am absolutely sure that the Minister, if not the whole Government, has a commitment to a humane and sensible proposition. I am sure that the two men concerned—the Minister and the Secretary of the Trades and Labor Council—will reach some agreement, because they are both very sensible men with a commitment to this humane proposition. I do not think that my request is unreasonable.

The Attorney-General, quite out of order and by way of interjection, said that this matter had been on the Notice Paper for three months. I point out that the second reading explanation has been in *Hansard* for three months and the Labor Party has been discussing this Bill for three months. The second reading explanation states that the Trades and Labor Council would have a right of veto, as it does in other States. The Opposition believes in that approach and agrees with the Bill, and that is why no fuss was made by the Opposition. However, last Thursday the rules were changed. The Minister said, and I do not know whether it was of his own volition or whether it was forced upon him, that the Trades and Labor Council had no right of veto. I am not suggesting that it was a conspiracy or anything other than possible confusion somewhere along the line. However, if this Council is a true House of Review, I am asking for 48 hours. The Council could then look at the Bill again on Thursday.

The Hon. J. C. Burdett: You asked for six months.

The Hon. FRANK BLEVINS: I am speaking for myself. The Hon. Mr Bruce asked for something different. I hope that the eloquence of my address will persuade the Hon. Mr Bruce to support me. I am sure that the majority of Government members will show their *bona fides* by granting my request to have leave to conclude.

The Hon. C. M. Hill: You're preventing another member and me from speaking to the second reading.

The Hon. FRANK BLEVINS: If the Minister undertakes to report progress in Committee I will not pursue my request for leave to conclude my remarks. I will conclude now by saying that I commend the second reading of the Bill on the understanding that has been given to me by the Minister. The Minister has now given a clear commitment that immediately this Bill goes into Committee he will report progress.

The Hon. M. B. DAWKINS: I support the Bill, and I am sure that every member does. I am pleased to hear the Hon. Mr Blevins' remarks. I commend both the Hon. Mr Bruce and the Hon. Mr Blevins on their speeches, although I do not agree with everything they said. I was going to plead with the Opposition to follow the course of action that has just been agreed to, so the reason for my speaking has now passed. I believe that this Bill should go into Committee.

With great respect to the Hon. Mr Bruce, I was going to support the Hon. Mr DeGaris's proposition that the Hon. Mr Bruce's course of action was incorrect. I believe the course of action just agreed to is the correct way to deal with this matter. I am pleased that the Opposition has agreed to allow the Bill to proceed into Committee. Progress can be reported, and the period suggested by the Hon. Mr Blevins can be used in an endeavour to find a solution for the differences of opinion. By allowing the Bill to go into Committee, it shows that all members favour the Bill in principle. The Hon. Mr. Bruce's course of action was tantamount to the defeat of the Bill, which would have left an entirely different impression, because every member supports the Bill in principle. The Minister will now have a right of reply, the Bill will go into Committee, and progress will be reported.

The Hon. ANNE LEVY: I support the second reading of the Bill. I do not wish to go into any great detail because the principles have been well canvassed by other speakers. I am sure that every member supports the basic principles behind the Bill. I wish to briefly refer to discussions which have been occurring *sotto voce*, and others more audible, regarding the procedure that will be followed regarding this Bill.

I understand that there is agreement to complete the second reading this evening, go into Committee and then report progress. members on this side of the Council wish that time to be used for discussions with the Trades and Labor Council. If those discussions can resolve all the problems which may arise and if a solution is found, we will then be happy to proceed with the Bill on Thursday. However, if grave difficulties come to the surface, we will wish to report progress and leave the Bill in abeyance until the Council reconvenes in July.

We certainly do not want it to be taken that, if an adjournment of two days takes place, the Bill will then proceed if there is still grave disagreement. These matters must be ironed out and, unless agreement can be reached in the next two days, we would certainly wish the Bill to lie on the table until the next session. I thank you, Mr President, for allowing me to make these remarks, but I believe it is necessary for this position to be clearly understood as to how members on this side feel about the matter at this stage.

The Hon. C. M. HILL (Minister of Local Government): I thank members for the attention they have paid to this Bill and for the contributions that have been made to the debate. I listened with interest to the speech of the Hon. Mr Milne, and I appreciate the point that he expressed in indicating some support for the proposed amendment of the Hon. Mr Bruce. I hope that, in view of the debate that has transpired subsequently, the honourable member will feel that perhaps a better course to adopt is the one in which the second reading of the measure is completed so that the matter can be adjourned in Committee when progress will be reported to enable further consideration on Thursday.

The Hon. K. L. Milne: That is so, I agree with that.

The Hon. C. J. Sumner: And possibly later.

The Hon. C. M. HILL: In the interim, I do not think that we need foresee any results on Thursday. What we are providing by consensus in this Council is an opportunity for all Parties to be further involved in discussion. The Hon. Mr Milne indicated that he thought he had not been sufficiently involved, and he now has the opportunity between now and Thursday to rectify that position. I hope that the Hon. Mr Blevins, who I think is going to initiate some discussions from his side, will do his utmost to involve Mr Milne so that we might have everyone in some agreement on Thursday. On our part, if we on this side can assist the Hon. Mr Milne—

The Hon. Frank Blevins: I hope you've not missed the point—we want you and the T.L.C. to come together.

The Hon. C. M. HILL: I am happy to do that. I stress to the Hon. Mr Milne that that will provide him with a further opportunity to consider the measure in totality. Some accusations were made by members opposite that personal contact had not been made between T.L.C. and the Minister in charge of the Bill in another place.

The Hon. C. J. Sumner: We didn't say that.

The Hon. C. M. HILL: You did. However, I am not going to argue the point.

The Hon. C. J. Sumner: I said, 'Except for a brief phone

call'.

The Hon. C. M. HILL: That is what you said, and I am saying that last year there was a personal interview between the Minister in charge of the Bill in another place and Mr Gregory, when this matter was canvassed.

The Hon. Frank Blevins: Was the Bill with the Minister at that time, or was it just a proposition?

The Hon. G. L. Bruce: I refered to 'formal discussions'.

The Hon. C. M. HILL: That is right. I understand that the Bill was there.

The Hon. Frank Blevins: But you do not know?

The Hon. C. M. HILL: I am not sure how formal it was, but the purpose of the discussion was for the Minister to discuss the issue generally and, as I understand it, it was to discuss a proposed Bill with Mr Gregory.

The Hon. Frank Blevins: Did the Minister have the second reading explanation with the right of veto in it?

The Hon. C. M. HILL: I do not know, but I am on the point that the Minister did conduct discussions—

The Hon. G. L. Bruce: I understand that they were informal discussions.

The Hon. C. M. HILL: I do not know how informal they were. I have been told that another official, who the officers thought was Mr Apap, was present, so it is hardly an informal and casual discussion if Mr Gregory takes Mr Apap along with him. The measure was canvassed by the Minister with those officials from the T.L.C., and discussion took place on that occasion about the community service order scheme. At that stage Mr Gregory appeared to be quite happy about the proposal that was put to him by the Minister. Understandably, he raised the point about employment opportunities and was given an undertaking by the Minister that in this measure job opportunities would not be jeopardised.

This is far different from the general impression given by members opposite in the debate tonight. The record should be put straight. Mr Gregory—and this is some evidence of the detail discussed—canvassed whether, if he was on the State committee and was absent, he could have a proxy for him at such meetings. This is indeed getting down to the nitty gritty detail. This is hardly a casual discussion about the subject. Further, I understand that the discussion lasted about three-quarters of an hour, which is hardly a casual contact with the T.L.C.

The Hon. C. J. Sumner: Did the Minister agree to the veto?

The Hon. C. M. HILL: You listen, because I listened to you. It was put to me that it was a healthy and happy discussion. Mr Gregory at some stage was laughing and was happy.

The Hon. Anne Levy: That doesn't ring true!

The Hon. C. M. HILL: Perhaps we know him better than you do. I understand that the interstate examples of this measure as they were practised were also discussed and that some indication was given of the previous endeavours by the former Chief Secretary (Hon. D. W. Simmons) to introduce a measure in Parliament based on this principle.

The Hon. Frank Blevins: It's Don Simmons's Bill.

The Hon. C. M. HILL: It has been around for a long time. As I said in my second reading explanation, the recommendation first came forward eight years ago, and I am sure that the Hon. Mr Simmons would have been endeavouring to introduce legislation. No doubt Mr Gregory and Mr Apap would have joined in the discussion and referred to their former approach under the Hon. Mr Simmons and the former Labor Government, and so forth; and, based on these circumstances, the Chief Secretary deemed it to be a proposition acceptable to the T.L.C. The Chief Secretary went ahead with the legislation. That side of the picture should be painted in order to have a true canvass in the debate tonight of this aspect of involvement—

The Hon. G. L. Bruce: Was there any indication that the T.L.C. would get back to confirm the discussions with the Minister?

The Hon. C. M. HILL: I cannot say. I do not want the impression to be spread that there was only a telephone conversation or that there was just a slight personal discussion without any detail at all. From listening to or reading the debate, members of the public could have gleaned that impression.

The Hon. Frank Blevins: You completely misled—

The PRESIDENT: Order! The Hon. Mr Blevins complained about interjections when he was speaking. He has continued incessantly since the Minister has been on his feet. I ask him to desist from further interjection.

The Hon. C. M. HILL: The only other thing I want to say is that, listening to the debate here, one would think this was the House of Assembly because members opposite, one after the other, did little other than refer to the debates and happenings there. This is the Upper House and I brought down a second reading explanation in the proper way. That should be the basis of the debate. That there was an error in the other place and that it was rectified by an appropriate statement is true, but to keep dragging it forward one speaker after the other indicates the shaky ground on which members are conducting the debate.

I have been pleased on two points. One is that everyone seems to believe in the principle that we should put this approach to community service orders into legislation. We have seen how it is working interstate, and apparently it is working very well, so we have that foundation to build on, so that next Thursday the legislation may be satisfactory to both sides. The other point is the manner in which the Hon. Mr Blevins spoke and acted as he did in an endeavour to approach the legislation fairly and in an endeavour to achieve unanimity between the Trades and Labor Council, the Opposition Parties in this Council and the Government.

I commend him for his endeavour to try to reach a positive decision regarding the whole matter before we adjourn this short session. I thank members again for their comments and, in keeping with the undertaking I have given, if the Bill passes the second reading, in the Committee stage, at clause 1, I will ask that progress be reported and that the Committee have leave to sit again on 11 June.

The Hon. G. L. BRUCE: I seek leave to withdraw my amendment.

Leave granted; amendment withdrawn.

Bill read a second time.

In Committee.

Clause 1 passed

Progress reported; Committee to sit again.

SUPPLY BILL (No. 1)

Adjourned debate on second reading.

(Continued from 4 June. Page 3893.)

The Hon. C. J. SUMNER (Leader of the Opposition): This is the Supply Bill that allows the Government to keep functioning for the next two or three months and, although not too many of us are happy with the way it is functioning, to deny it the funds to keep at least some services afloat would be unreasonable. I have said in the debate on the Appropriation Bill the matters that I wish to

say, and I support the second reading.

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

ARCHITECTS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 3 June. Page 3774.)

The Hon. FRANK BLEVINS: The Opposition supports this Bill, which is really straightforward. The member for Stuart, the Opposition spokesman in the other place, has made a detailed response to the measure on behalf of the Opposition, and I see no point in repeating everything said in that House. I am not one who maintains the fiction that we work in isolation. That is not the case, and anyone interested in this matter can check the House of Assembly *Hansard*.

Our spokesman has contacted the Architects Board and the Building Designers Association, and they are happy with the provisions of the Bill, so we are happy to support it. However, we have one quibble, and that is with the second part of the Bill, clause 3. That relates to a problem that architects have in incorporating as a company when there is only one architect in the firm.

The Hon. C. J. Sumner: It's a tax dodge provision.

The Hon. FRANK BLEVINS: As the Hon. Mr Sumner has far more knowledge than I have and has never been known to be wrong in these things, I accept his imputation that this is the tax dodge clause, and that disturbs me greatly.

On this side of the Chamber in the main we represent workers. Workers through the PAYE scheme have no means of avoiding tax. We cannot incorporate ourselves like the Hon. Mr Hill can into 11 different companies. That is quite a feat. What we are providing for in part of the Bill is for architects to indulge in some tax dodging, some income splitting and unsavoury things of that nature. By dodging tax, architects can get their fingers into the public purse as well. It seems to be a generally accepted practice throughout the community. I do not condone it, and I am not sure that it is not the business of the Federal Taxation Department.

If those companies are mere companies of convenience to enable the public purse to be milked in that way, I am not sure that it is not a Federal Government responsibility to declare that this arrangement is merely a convenience and that, as such, there should be no benefit for relatives who are now going to be allowed to be directors of companies which are in fact quite phoney companies. The legislation is designed to allow companies to have directors that are not architects at all. They are there for one reason only: that is, to avoid paying tax, and I do not like it. I am not in a position where I cannot support the Bill, although I think it is morally wrong when the people, who provide the wealth of this State and erect the buildings that the architects design, have no opportunity for sharing the wealth. Before they get their pay, the Taxation Department promptly takes the public share.

The Hon. R. C. DeGaris: Are there other groups that do it?

The Hon. FRANK BLEVINS: The Hon. Mr DeGaris asks whether there are other groups that do it. I do not believe that that makes any difference and that it allows everybody to act immorally. The Hon. Dr Cornwall has been involved in a professional self-employed business and has probably jousted with the Taxation Department for many years. He will be able to mount the case against the clause much better than I can. In summary, we agree completely with the first part of the Bill. Although we support the second part, we believe that the principle is doubtful and unethical to say the least.

The Hon. J. R. CORNWALL: I rise to participate briefly in this debate. The Hon. Mr. Blevins has said eloquently and well many of the things that I intended to say, but I do not want to let the opportunity pass of saying something about the question of professional persons being able to form a company. There are two distinct considerations. There is, first, the formation of companies between parties and professionals in practice. For reasons canvassed during the debate on the Legal Practitioners Bill, I find that unexceptional. It does allow them to arrange their affairs better and makes it easier when one of the principals in a profession leaves for one reason or another. It also makes it easier for property settlements that the group is involved in. I would accept that that can happen between professional persons in any sphere of activity whether they be architects, lawyers, veterinarians, or anything else. What I find most objectionable is allowing single practitioners to incorporate with non-professional, non-qualified members of their families.

The Hon. C. M. Hill: With their wives, for example?

The Hon. J. R. CORNWALL: Yes, their wives or children. I find that objectionable. I say that as a person who was the sole principal of a veterinary practice which employed assistants from time to time over a period of 20 years. There is a long tradition that profit sharing between practices is considered unethical, and it has always been considered unethical. There has been a very long tradition that non-professionals should not participate in the fees that are generated by qualified professional persons operating in practice. There are many good reasons for that. One is that, unlike a business, most professional practices do not have a high capital content. The principal capital content in most professional practices is in the head, and one is paying a professional person for his opinions or for the manual dexterity that goes with that profession.

It seems that one of the principal reasons for wanting to incorporate non-professionals in practice is purely as a tax dodge. I find that reprehensible. I want my opinion to be on record because I have a very real fear that before very long this Government may well introduce legislation allowing medical practitioners to incorporate.

The Hon. R. C. DeGaris: What other professional groups cannot do what is intended in this Bill?

The Hon. J. R. CORNWALL: Medical practitioners, dentists and veterinarians.

The Hon. J. A. Carnie: Pharmacists.

The Hon. J. R. CORNWALL: Yes. I was going to say all of the para-medical professions.

The PRESIDENT: Order! I believe the honourable member has answered the question.

The Hon. J. R. CORNWALL: There is a small percentage who, if given the opportunity to incorporate, would get into tax dodging.

The Hon. Frank Blevins: Like Dr Mestrov.

The Hon. J. R. CORNWALL: Yes, we have had an example before the Council earlier today. The other matter that concerns me is that, if a fee-for-service system is going to survive within professions, and particularly within the medical profession, we will need more checks and balances on the professions, and not less. The move to incorporate and set up a business arrangement of convenience will simply encourage these people to see themselves as part of an industry and not as part of a profession. I do not say that with any idea of snob content or status in the community, or anything along those lines.

It is just that it has always been traditionally a situation where a little bit more was expected from people in the professions. I find the move towards incorporation and towards simply running a profession like any other business a grave step backwards.

The Hon. Frank Blevins: It's a question of being a romantic.

The Hon. J. R. CORNWALL: No, it is not. At the moment, we have the medical millionaires: the radiologists and the pathlogists, particularly. There the profit motive takes over almost completely. This temptation is put in people's way if they are given the opportunity. Where profit takes over almost to the exclusion of a true level of professional performance and competence and it becomes the primary motivation of any person operating in any profession, you are running into difficult and undesirable grounds.

I simply give notice that I find the move towards this ongoing incorporation in professions, particularly in single-person practices, something that ought to be raised, and any other legislation which provides along these lines and which is introduced here will be scrutinised by me personally and by my Opposition colleagues.

The Hon. C. M. HILL (Minister of Local Government): The Hon. Mr Blevins and the Hon. Dr Cornwall have both raised the point of the inadvisability of professional people arranging their business structures by way of limited liability companies. Listening to them, one must have some sympathy for some of the points that the honourable members made. Admittedly, the architects themselves were represented on that committee, which comprised representatives of the Architects Board, the Building Designers Association, the Master Builders Association, the Institute of Draftsmen, the Housing Industry Association, and the Institute of Engineers. So, a wide spectrum of interested parties sat down and tried to improve the Architects Act. The Bill that is now before us is a result of that committee's deliberations.

I make quite clear that no Government member condones tax evasion of any form whatsoever. Regarding the Hon. Mr Blevins's point about the formation of companies in order to obtain taxation benefits, I cannot help but point out that, as soon as a company is registered, the company tax involved is, I think, 42 cents in every dollar.

The Hon. J. R. Cornwall: That is substantially less than the top rate for personal income tax.

The Hon. C. M. HILL: Yes, but very little retention is permitted, and the distribution of dividends becomes personal income to the shareholders and, in the case being discussed in this debate, it would probably involve the husband as the architect and his wife. Of course, that sort of distribution of dividend further increases their personal tax, and their income tax rate increases as their income escalates. So, it is not just the simple procedure that some people think it is.

The Hon. J. R. Cornwall: You'd know a fair bit about family companies, I suppose.

The Hon. C. M. HILL: Yes, I did, and I might tell the honourable member that in some respects I would like very much to liquidate some of mine. However, one gets locked into some of these things. If I were to give advice to a young business man starting out, I would counsel him to be very careful indeed before accepting the inevitable advice that comes from his accountant or from other professional advisers that he should rush in and form a family company. Be that as it may, I gather from the speeches that have been made that, despite some misgivings that exist in relation to the last clause, there is general support for it, and I thank honourable members for that.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Registration of a company as an architect.'

The Hon. R. C. DeGARIS: Both the Hon. Mr Blevins and the Hon. Dr Cornwall have raised in this debate certain matters that have given rise to thought on their part, namely, how far we can go in relation to allowing the incorporation of professions. All honourable members share the views that have been broadly expressed by both those honourable members. Will the Minister say whether the Government intends taking this concept further into other professions, and can he tell the Committee of other professions that have this right of incorporation at present?

The Hon. C. M. HILL: I do not know of any plans by the Government, and I presume to speak on behalf of all Ministers, some of whom might have some initial discussions in train. However, I do not know of any such discussions between those Ministers and other professions in relation to legislation that will permit this form of family company to be involved with those other professions.

I do not know the answer to the honourable member's second question. One would have to canvass through a considerable number of professions to ascertain that detail for him. I can either ascertain that information for the honourable member in relation to other professions and let him know in due course, or progress can be reported and I can try to get the information for the honourable member.

The Hon. R. C. DeGARIS: Perhaps I can put the question this way: can the Minister give me any reason why architects should be able to register as companies when pharmacists cannot do so?

The Hon. C. M. HILL: I can only refer back to the point I made earlier, namely, that the Government has been endeavouring for some time to resolve these improvements to the Act, and the very representative committee to which I referred earlier has deliberated on the matter. The Government has accepted that committee's deliberations.

I think it is fair to presume that the Architects Board, whilst it was only one of several parties involved, would have played a leading part in those particular discussions. I have no doubt that the architects themselves, through the Architects Board, have favoured this particular move. As I have said, I am not particularly happy with the arrangement from the point of view of professional ethics, but the Government has been requested by this committee and the architects to grant this arrangement, and the Government has agreed to follow that course of action. If similar requests came forward from other professions they would certainly be considered. Whether or not similar requests from other professions would be approved is something to which I cannot commit the Government.

The Hon. J. R. CORNWALL: I am intrigued. The Minister has implied that he is not sure why the Government is following this course of action, and he said that a committee recommended this procedure. If it is not the Government's policy, and the other day the Attorney-General told us that it was not a part of the Government's general policy during discussion of the Legal Practitioners Bill, does the Government have any guidelines at all, or is it an *ad hoc* decision where professions that cannot incorporate make a submission to the Government? Is it simply taken that, if professions request it, it is a good thing? That is what the Minister said in reply to the Hon. Mr DeGaris. He said that there was no good reason for

doing it, part from the fact that the Architects Association approached the Government and asked for it to be done.

The Hon. C. M. HILL: I have been provided with further information regarding this matter. Architects have been permitted to be incorporated with a single director since 1975. Amendments to the Companies Act in 1979 made it necessary for incorporated bodies to have at least two directors. Therefore, this particular measure is bringing the former arrangement, which has existed since 1975, into line with the new companies legislation. This Bill permits them to bring in a second director.

The Hon. J. R. CORNWALL: That only fortifies the point that I made. Originally, the single director had to be an architect. The Government is now allowing single-person practices to bring in a member of the family to be a director. I realise that you can make them do that in line with the amended Companies Act, but the Government is establishing a principle whereby single-person practices are able to bring non-qualified persons into the company structure. Is the Government saying that this is a one-off situation purely because of the circumstances which arose when the Act was found to be contrary to the Companies Act, or will the Government take each profession on its merits as it comes along and present its case?

The Hon. C. M. HILL: We are not concerned about other professions at the present time. The Government is simply legislating to provide for existing incorporated bodies that do not conform with the Companies Act to be able to conform with it. It simply allows for existing companies to remain registered within the law.

Clause passed.

Title passed.

Bill read a third time and passed.

DOG CONTROL ACT AMENDMENT BILL (No. 2)

Returned from the House of Assembly with the following amendments:

No. 1. Page 2, (clause 6)—After line 34, insert subsection as follows:

(2a) In the case of each metropolitan council within the meaning of the Local Government Act, 1934-1981, at least one person who holds an appointment as an authorised person for that council must be engaged upon a full-time basis in the administration and enforcement of this Act within the area of that council unless the Minister consents to some other arrangement.

No. 2. Page 3, (clause 9)—Line 17—Leave out 'subsection' and insert 'subsections'.

No. 3. Page 3, after line 17 insert subsection as follows:

(1a) Subject to this Act, all moneys received by a council pursuant to this Act shall be expended for the purposes of this Act.

No. 4. Page 5, (clause 15)—Lines 6 and 7—leave out paragraph *(b)*.

No. 5. Page 5, (clause 16)—After line 19, insert subsections as follows:

(2) A council may make by-laws requiring that any dog of a class specified in the by-laws that has not been previously registered by that council or tattooed in pursuance of this Act shall, upon registration by that council, be tattooed in the manner specified in the by-laws.

(3) Notwithstanding the provisions of this Act, a dog that is required to be tattooed in pursuance of this Act shall be deemed to be unregistered until it is so tattooed.

No. 6. Page 6, (clause 20)—Line 15—Leave out paragraph *(b)*.

No. 7. Page 6, after line 19, insert:

(d) by inserting after paragraph *(c)* of subsection (2) the following paragraph:

(d) to any dog of a prescribed class subject to the conditions (if any) prescribed in relation to that class of dogs.;

and

(e) by inserting after subsection (2) the following subsection:

(3) It shall be a defence to a charge of an offence under subsection (1) if:

(a) the defendant proves that before the date of the alleged offence a registered veterinary surgeon had certified that the wearing of a collar would be injurious to the health of the dog during a period not exceeding three months specified in the certificate;

and

(b) the alleged offence took place during the period specified in the certificate.

No. 8. Page 6 (clause 21)—Lines 31 and 32, leave out paragraph *(c)*.

No. 9. Page 6 (new clause)—After clause 21 insert new clause as follows:

21a. *Amendment of s.37—Powers of entry of authorised persons.* Section 37 of the principal Act is amended by inserting after subsection (2) the following subsection:

(3) Notwithstanding the provisions of this section, an authorised person may:

(a) without the consent of the owner or occupier; and

(b) without any warrant,

enter any premises where he has reasonable grounds to believe that there is a dog that has attacked, harassed or chased any person, or any animal or bird owned by or in the charge of some person other than the owner or occupier of those premises and that urgent action is required in the circumstances.

Consideration in Committee.

The Hon. C. M. HILL: I move:

That the House of Assembly's amendments be agreed to.

I remind honourable members that this Bill was debated at considerable length in this Chamber some months ago. After it was passed it proceeded to another place where it was debated, adjourned and then remained on the Notice Paper for some time. In that period my officers and I had ample opportunity to look at the points made during debate in this Chamber and in another place. We also received representations from interested parties. As a result of those representations and the consideration of points raised in debate, further amendments were debated in another place and passed last week.

Not all amendments were moved by Government members: two amendments were moved by the Opposition and were supported by the Goverment. There were nine amendments and of these six were principal issues. Of the six, only one can be described as being contentious, and I am of the strong view that all the amendments improve the Bill and bring about more of a consensus view of the whole Parliament than was expressed in the original Bill that I first introduced.

Those six issues can be summarised as follows. The first issue is covered by amendment No. 1, which indicates that a metropolitan council must have a full-time officer involved in the administration and enforcement of dog control measures unless there are some unique circumstances and the Minister is able to give consent to some other arrangement. It is felt desirable that in metropolitan Adelaide there be a full-time officer in this work.

The second issue is covered by amendments Nos 2 and 3, which deal with the necessity for councils to spend all

money received from dog registration fees on dog control measures. The Government does not believe that registration moneys should be spent by council on other matters. That is equitable and fair.

The third issue is covered by amendment No. 4 and deals with the question that in future a nominated person can be registered as the owner of a dog, and not necessarily the applicant. It was found, for example, that some aged persons had difficulty going to council chambers and registering dogs. It will now be possible for them to give a letter to somebody else and for that person to take a dog to the council chamber and for the dog to be registered in the name of the nominated owner.

The fourth issue is dealt with in amendment No. 5, which is probably the most contentious issue and about which I referred a moment ago. This amendment deals with tattooing, which is reintroduced by this amendment. The principle is that, if any council wishes to introduce tattooing as a means of registration in its own council area, it will have the right to introduce such a system through a by-law. This will be an alternative to the disc system.

The amendment provides that it will only involve dogs that have not been previously registered by that council and would involve either pups or dogs that have been purchased by local ratepayers and brought into that council area for the first time. The principle behind the amendment is to allow a council the decision about whether it wishes to involve itself with tattooing. Councils are being given the right to prescribe that certain breeds of dogs can be tattooed, so it does not necessarily mean that all dogs registered for the first time will be tattooed: it might apply only to certain breeds that councils believe ought to be registered by tattooing.

Amendments Nos 6 and 7 deal with the fifth issue of wearing collars and the need for there to be some exemption from this requirement. Amendment No. 7 deals with the situation involving a dog that is being treated by a veterinary surgeon for, say, a skin disease or other ailment which makes the wearing of a collar either painful or not in the best interests of the dog's health. Provision is made, if the veterinary surgeon provides a certificate, for a period which must not exceed three months, when a dog need not wear a collar during that period.

The last issue is covered by amendments Nos 8 and 9 and deals with the entry by some authorised officer in special circumstances to private property without a warrant. It indicates that urgent action must be deemed to be required in the circumstances by the officer who must have reasonable grounds to believe that a dog that he wishes to find and inspect has either attacked, harassed or chased any person or animal or bird and, in those special circumstances, the legislation provides the opportunity for immediate entry by an authorised officer for the purposes of enforcing the Act. I hope that the Committee agrees that, after the extensive deliberations that have occurred in regard to this amending Bill and after the debates in another place which took so much time, the amendments improve the Bill. I hope the Committee will support the amendments, and I am sure that improved legislation to that which we have at the present time will result.

The Hon. J. R. CORNWALL: I presume that I can speak at large on the amendments and that if necessary any of my colleagues can speak to specific clauses. It is significant that, while inflation runs in double digits and unemployment races towards 8 per cent in South Australia, and that while we are rapidly in danger of becoming the dustbowl economy of the nation, we are spending considerable time on the Dog Control Act. That is the nature of man's relation with his best friend. I should like to recount to the Committee a story surrounding the original introduction of a Dog Control Bill which was brought to the Labor Caucus about 3½ years ago by the Hon. G. T. Virgo. The the Minister told the Caucus in his own inimitable way that his Bill dealing with dog control should be non-controversial and should not worry anyone unduly. There was some chatter around the Party room and no-one was much interested in it. However, having had some experience in relation to man and his best friend over the years, I assured the Minister that, when he introduced his measure to Parliament and when the community knew what was proposed, there would be great reaction. Indeed, that was the case. A Select Committee was established and took evidence from innumerable witnesses over a period.

There were two things in that legislation to which the present Minister of Local Government objected very vigorously. He has at least been consistent in that opposition. One of those was the matter of the Central Dog Committee, which he has finally managed to get rid of. I make clear that I regret its passing. I think it is unfortunate that we do not retain central registration and a central committee.

There are two reasons for that. With the Central Dog Committee, we had some immediate control anywhere in the State were we unfortunate enough to have a rabies outbreak. What the Minister has ensured by getting rid of the committee is that, if we wanted to trace the movement of dogs that carry rabies from one area to another, we would not be able to do so. We would have been able to trace a dog from Mt Gambier to Port Lincoln, but that will not be possible now.

I am also sorry that the committee has gone because, as I have said, I feel that it had a vital and essential role to play in the matter of education of the community concerning its responsibility and, more particularly, education of individuals about the responsibility of owning a dog. The other thing that is happening is that tattooing, which was in and then out, is now partly back in a very doubtful sort of way. What happened was that the Minister, who has been very consistent in his opposition, got into a bit of a bind with some of the members of the rural rump in the other House, because, being intelligent people like yourself, Mr Chairman, they knew how important it was to trace dogs in all circumstances. There is little to be gained in sitting up at night to get the dogs that have been mauling one's sheep and then to find that the dog is a cleanskin with no disc.

You have got no idea if there is not a tattoo on the dog. Some of the more intelligent rural members in the Lower House were adamant that some sort of tattooing provision should be retained. The Minister has come up with some sort of compromise that I do not think is very satisfactory. It is that councils may introduce tattooing for certain prescribed breeds. Human nature being what it is, where there is not any mandatory requirement for councils to do that, I make the confident prediction that only a small number of councils will get into the tattooing of a small number of breeds.

For that reason, the whole notion of tattooing will substantially fall down, and that is regrettable. I made a submission to the Select Committee on that matter. I believe that, with the original Act, over a period in a voluntary sort of way we could have had a situation where the majority of dogs would be tattooed and we could have traced every dog in the State. Then there would have been far more responsible owners. The whole problem with companion animals, dogs in particular, is that the owners are the irresponsible ones. We should never blame the dogs. A reasonably high per cent of people take on a pet

without any forethought of what will be involved.

It is a cuddly little pup at first, but it does not remain so. As the interest wanes and the dog becomes an adult, the dog tends to roam the roads and cannot be identified because it has not a disc. It is struck by a car and arrives at a veterinarians surgery without identification. What do you do? You take it on out of the good spirit of your heart for two or three days, but no owner turns up and the dog has to be put down. What was proposed would have made the owner far more aware of responsibility in the matter by his being penalised if he allowed the dog to roam at large, and was able to be traced if for some reason or other the dog was involved in an accident.

Other than that, I find the amendments acceptable. I am pleased to see that, by amendment No. 1, there will be at least one full-time dog warden in metropolitan councils. I am very pleased that, as a result of amendments Nos 2 and 3, all moneys received by the council pursuant to this Act shall be expended for purposes of the Act. That is another submission that I made to the Select Committee. I felt it terribly important that, if we were going to take registration fees from $5 to $10, the fees did not find their way back to general expenditure and that they were spent on the purposes for which they were raised. In this way, we may get better co-operation.

Another provision refers to a prescribed class or breed of dog coming into an area as an adult, where there is a requirement for the dog to be tattooed and that dog has not been previously tattooed.

The dog will have to be done as an adult. The Hon. Mr Dawkins, when this matter was debated some months ago, said that tattooing would be a feast for veterinarians. I took some exception to that. However in this case, it will certainly be a feast, because there is no way you could tattoo an adult dog without full anaesthesia and it will be a relatively expensive procedure. It will not be inexpensive, and people should be aware of that.

I compliment the Minister regarding the matter of a dog's not having to wear a collar in the event of dermatitis. It is a desirable feature in the legislation. I conclude by referring to the powers given to wardens without the consent of the owner or occupier or without warrant, provided they are in 'hot pursuit'. That provision has been tidied up in the House of Assembly. It concerned me because it originally gave *carte blanche* authority to a warden to enter any premises in any circumstances if he had reasonable grounds to suspect that he ought to do so. That has been further constricted, and he can do that only in hot pursuit of an animal.

The Hon. R. C. DeGaris: What do you mean by 'hot pursuit'?

The Hon. J. R. CORNWALL: I think that is a reasonable term. I mean the average reasonable man's understanding of hot pursuit as it presumably applies to animals. The Minister can correct me if I am wrong, but it does not apply to humans. It applies only to the dogs that the warden may be pursuing.

I do not think we have heard the last of the Dog Control Act. I fear that in years to come there will undoubtebly be further amendments introduced in this place from time to time that will be based on the experience of the operation of the Act, whether they be introduced by the Liberal Party in Government or the Labor Party in Government. In conclusion, for the time being I have heard quite enough of the Dog Control Act, and if the matter does not come before the Parliament for the remainder of this term I will not be disappointed.

Motion carried.

ADJOURNMENT

At 10.41 p.m. the Council adjourned until Wednesday 10 June at 2.15 p.m.