## LEGISLATIVE COUNCIL

Tuesday 29 September 1981

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

### PAPERS TABLED

The following papers were laid on the table:

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

*Pursuant to Statute—*

Superannuation Act, 1974-1980—Regulations—Cost of Living Increases.

*By Command—*

Guidelines for Public Servants Appearing Before Parliamentary Committees—Report of Committee.

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

*Pursuant to Statute—*

Fisheries Act, 1971-1980—Regulations—Prawn Licence Fees.

Department of Marine and Harbors—Report, 1980-81.

City of Tea Tree Gully—By-law No. 48—Reserves, Ovals, Plantations, Parks, Playgrounds and Other Public Places.

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

*Pursuant to Statute—*

Department of Industrial Affairs and Employment—Report, 1980.

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

*Pursuant to Statute—*

Trade Standards Act, 1979—Regulations—Folding Tables.

## QUESTIONS

### RAM SALES

**The Hon. B. A. CHATTERTON:** I seek leave to make a short explanation before asking the Minister of Consumer Affairs a question about the Adelaide ram sales.

Leave granted.

**The Hon. B. A. CHATTERTON:** The recent Adelaide ram sales held after the Royal Adelaide Show saw a record price for a merino ram; I believe it was also a record price for a ram anywhere in the world. The top price was $79 000. A number of other very high prices were also paid at that ram sale: $53 000 and $42 000 were paid for a couple of top rams.

From that price bracket, there is a very dramatic drop to $8 000 and to $5 000 for most of the other rams. I should point out that those rams were certainly not second-class, because many of the rams in the $8 000 and $5 000 bracket gained more prizes at the show than did some of the rams that reached those extraordinarily high prices.

**The Hon. J. C. Burdett:** Was this an auction sale?

**The Hon. B. A. CHATTERTON:** It was.

**The Hon. R. C. DeGaris:** The judges distribute the prizes, don't they?

**The Hon. B. A. CHATTERTON:** Exactly. I have been told that a flock of ewes was included with the price of the top rams, and that the purchasers of some of the top rams got as many as 1 000 ewes included in the price that they paid for those rams.

I am not particularly concerned about this, if this is what certain breeders wish to do in order to get higher prices for their rams. What does concern me is that not all buyers were aware that these were the conditions of the sale of these rams. It was certainly not announced at the auction of the rams. I ask the Minister of Consumer Affairs, who I believe is responsible for the administration of the Auctioneers Act, to investigate what appears to be a *prima facie* breach of that Act, because the auctioneers did not inform the buyers of what was being bid for.

**The Hon. J. C. BURDETT:** The Auctioneers Act has been repealed.

**The Hon. Frank Blevins:** Has it been gazetted?

**The Hon. J. C. BURDETT:** No, it has not. However, in any event, I am not satisfied that this was a condition. There may be a question of unfair advertising if it was a condition but was not advertised. I am prepared to investigate the circumstances, although it seems to me that, particularly at an auction sale, if anyone wants to throw in anything with the item purchased, he is entitled to do so. It would surprise me if it was a condition known to anyone beforehand that other assets were to be included.

**The Hon. J. R. Cornwall:** Ask Boyd.

*Members interjecting:*

**The Hon. J. C. BURDETT:** Other honourable members are suggesting that this may not have been the case. I am quite prepared to have my department investigate the circumstances and to provide the honourable member with a reply.

### LYELL McEWIN HOSPITAL

**The Hon. J. R. CORNWALL:** I seek leave to make a statement before asking the Minister of Community Welfare, representing the Minister of Health, a question regarding Lyell McEwin Hospital.

Leave granted.

**The Hon. J. R. CORNWALL:** The Central Northern Metropolitan Region, based on Elizabeth and Salisbury, has fewer acute care hospital beds than has any other region in the metropolitan area. The decision not to proceed with the Para Districts Hospital means that this situation will continue in the foreseeable future.

The only major hospital available to patients and doctors is the Lyell McEwin Hospital. Because of this situation, almost 150 doctors have been accredited in recent years to treat patients at the hospital. Since 1976, they have been paid by the hospital on a fee-for-service basis for treating uninsured patients. There is general agreement that the situation has got out of control, and that there is a clear case for rationalising medical and surgical services within the hospital. However, recent attempts to do so appear to have been very inept.

In December last year, the hospital board, with the apparent blessing of the South Australian Health Commission, gave notice that it intended to refuse the right of many doctors in the area to use the hospital, despite their accreditation. This was done without any consultation with the local medical profession. Appointments were made by an *ad hoc* committee, comprising the Director of Nursing, the Medical Superintendent, a local surgeon, and a local anaesthetist.

There were numerous protests from both patients and doctors. Pressure was brought on both the hospital board and the South Australian Health Commission to rescind their decision, pending negotiations for a workable solution. A working party was formed by the medical profession, comprising a representative from the central body of the A.M.A. and three members of the local branch, the Salisbury and Elizabeth Medical Association, to devise a practical solution. The working party met on several occasions with a senior representative of the Health Commission and members of the Lyell McEwin Hospital Board. Agreement was reached that hospital services to uninsured patients

would be provided on a sessional rather than a fee-for-service basis. This appeared to have the three virtues of rationalising services, providing a check on over-servicing by physicians, and cutting hospital costs.

However, negotiations have virtually broken down since the recent decision of the Hospital Board to appoint 14 resident medical officers in various specialist areas who will be supported by selected specialists and general practitioners retained on a sessionally paid basis. Members of S.E.M.A. claim that this will entrench a two-tier system of medical care at the hospital that will be to the detriment of patients without hospital and medical insurance. It is estimated that from 1 September up to 50 per cent of patients presenting at the Lyell McEwin will not be privately insured. In a letter to the Hospital Board dated 31 August the President of S.E.M.A., Dr J. E. S. Hardy, stated:

> S.E.M.A. rejects the board's plan dated 21 August 1981 for the medical staffing of the Lyell McEwin Hospital, as S.E.M.A. considers that both the category of residents and the number of sessions proposed is quite inadequate . . . if the plan is implemented it will lead to the lowering of the standard of patient care at the hospital which is unacceptable. Furthermore, S.E.M.A. considers that further negotiations in an endeavour to construct a plan agreeable to all parties should be conducted between the board or its nominees and representatives of the State branch of the A.M.A., the colleges of the disciplines involved, the South Australian Health Commission and the industrial officers of the commission.

This was rejected by the Hospital Board. On 14 September, Dr Hardy again wrote to the board, as President of S.E.M.A., and stated:

> Faced by the board's stubborn and ill-advised adherence to the unsatisfactory plan of 21 August 1981, S.E.M.A. has resolve that it does not wish to be involved in the implementation of a system which it considers has no merit.

I have no wish to push the specific case of any of the protagonists. If there has been overservicing of patients, exploitation of the existing system or incompetence by any individuals, these problems must be resolved. However, it has been pointed out to me that the following points should be noted:

1. Implementation of the present proposals will tend to entrench a two-tier system of patient care at the hospital.

2. Continuing disputation between the Salisbury and Elizabeth Medical Association, the Health Commission and the Hospital Board must be to the detriment of patients and should be immediately resolved.

3. The number of sessions proposed in the new arrangements appear, on the available evidence, to be grossly inadequate and will result in a lowering of the quality of care for uninsured patients.

4. A substantial number of respected, competent and ethical consultants and surgeons with long standing accreditation will be excluded if the plan proceeds in its present form. It should be noted that they are all prepared to co-operate in working on a sessional rather than a fee-for-service basis with uninsured patients.

5. There are grave dangers that the proposed arrangements will create a virtual cartel situation for a few favoured consultants and surgeons, particularly those based on Esmic House, to the exclusion of others.

Will the Minister of Health intervene as a matter of urgency to resolve the difficulties and disadvantages which the new arrangements will create?

**The Hon. J. C. BURDETT:** I will refer the honourable member's question and its somewhat lengthy explanation to the Minister of Health and bring back a reply.

## BLOOD ALCOHOL LEVELS

**The Hon. R. J. RITSON:** I seek leave to make a brief explanation before asking the Minister of Community Welfare, representing the Minister of Health, a question on blood tests in relation to blood alcohol levels.

Leave granted.

I have received a letter from a constituent who is a biochemist. He has asked me to do what I can to alleviate the problem he is experiencing in terms of method of sampling of blood alcohol. Prior to 1979, the Road Traffic Act required three specimens to be taken in instances where a person was admitted to hospital as a result of a road accident. Of the three specimens, two were to be sent to the Government analyst and one given to the patient.

In certain country areas, where other means of estimating blood alcohol, such as the breathalyser, are not available, blood alcohol samples are also taken from persons charged with certain offences, for the benefit of the defendant, if he feels that he would like an independent blood test. In that instance, I understand that the only specimen required is that which is given to the patient.

In 1979, section 47f of the Road Traffic Act was amended because the Government analyst no longer required two specimens, but required only one. As a result of that amendment, the bottles put out at the time of blood testing in hospitals were only two in number, but it appears from my constituent's letter that a number of doctors, not being aware of the amendment, are sending both the specimens to the Government analyst and then improvising for a third specimen, often with bottles which are not the appropriate ones for a specimen. Also, they are sometimes not labelling and sealing the specimens in accordance with the Act.

As a result of this, my constituent tells me that he does, from time to time, have to give evidence in court to the effect that the specimen provided to the patient is of no evidentiary value. Given that the Health Commission circularises the medical profession from time to time with technical data, would the Minister arrange for the entire medical profession to be reminded of the 1979 amendment to section 47f, and of the fact that, of the two blue-top bottles one only goes to the Government analyst and the other to the patient.

**The Hon. J. C. BURDETT:** I will refer the honourable member's question—

**The Hon. Frank Blevins:** And its somewhat lengthy explanation.

**The PRESIDENT:** Order!

**The Hon. J. C. BURDETT:** —to the Minister of Health, and perhaps to some other Ministers who may also be concerned in this issue, and bring back a reply.

## TRAIN LIGHTING

**The Hon. M. B. DAWKINS:** Has the Attorney-General, representing the Minister of Transport, a reply to the question I asked on 18 August regarding adequate train lighting?

**The Hon. K. T. GRIFFIN:** The illumination of freight vehicles by the fitting of lights has been considered but is not practicable on goods trains due to a number of factors. The main reasons are the provision of a suitable power supply and the necessity to continually break up trains into single vehicles and re-marshall.

The commission appreciates its responsibilities to protect level crossings to the best of its ability. In this area, the prime responsibility for safety at level crossings must rest with the response of drivers of road vehicles to the various warning signs and devices provided.

Ideally, it would be desirable to eliminate level crossings, but costs would be prohibitive. It is considered that the most effective use of funds available for improving safety at level crossings is the extension and improvement of

protective devices at the crossings themselves and this policy is continuously being pursued.

## OMBUDSMAN

**The Hon. C. J. SUMNER:** I seek leave to make a brief explanation before asking the Attorney-General a question about the Ombudsman.

Leave granted.

**The Hon. C. J. SUMNER:** The present Ombudsman's Act contains a provision which requires the Ombudsman to give advance notice to the permanent head of a department, the Mayor of a local council, or the Chairman of a statutory authority, that he intends to carry out an investigation. That requirement has been criticised both in the most recent report of the present Ombudsman, Mr Bakewell, and in the previous report prepared by the Acting Ombudsman, Mr Lyn Myers. The 1979-80 report of Mr Myers states:

> It is apparent to me that there are occasions where to give notice of this sort could be to possibly unduly forewarn a governmental agency of the situation that it is considered requires investigation.
>
> Members of the public have put to me that service of such notice enables the officers concerned to 'get their story straight' and to make sure that the departmental file is in order in that it does not contain any adverse information that would be detrimental to the agency's case. I agree with this contention.

In view of the criticism of this provision in the two most recent reports of the Ombudsmen, does the Government intend to take any action about the suggestion that this provision be removed?

**The Hon. K. T. GRIFFIN:** The Government does not intend to take any action to deal with that particular criticism. Of course, the grounds for criticism are purely speculative. There is no evidence at all that suggests that the basis upon which Mr Myers, the then Acting Ombudsman, made his recommendation is in fact the case.

**The Hon. C. J. Sumner:** He thought it was.

**The Hon. K. T. GRIFFIN:** He said that it had been put to him that it would give officers an opportunity to get their case ready to deal with the problem. Neither the Government nor I sees any need to change the present practice. The Act is clear: it requires notice of an administrative act. The very fact that notice is required in itself is a discipline for both the Ombudsman and the Public Service, since the actual administrative act which is the subject of the inquiry must be identified. The fact that notice is required is also a protection for both the Ombudsman and the public servant to ensure that the Ombudsman acts within the ambit of the authority given by the Ombudsman's Act.

## T.A.B. TELEPHONE ACCOUNTS

**The Hon. R. C. DeGARIS:** I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister of Recreation and Sport, a question about T.A.B. telephone accounts.

Leave granted.

**The Hon. R. C. DeGARIS:** I have been informed that authorities seeking evidence for a wide variety of crimes have been frustrated in those inquiries through the passing of money through T.A.B. telephone accounts. Recently, we passed legislation giving investigators the right to look at banking records.

**The Hon. K. T. Griffin:** That was tossed out by the Opposition.

**The Hon. R. C. DeGARIS:** I should say that it came before the Council. I am sorry I raised that question: I would have thought that the Opposition had more sense.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. R. C. DeGARIS:** Banking records of suspected criminals interstate, for example, show that large sums of money have been paid into banks through T.A.B. cheques. When it comes to checking a T.A.B. telephone account, no records exist. I believe the T.A.B. destroys its records after a short time. Can the Minister say how many telephone accounts are operated by the T.A.B. in South Australia? How long are records kept of betting transactions on those telephone accounts? What action does the T.A.B. take to ensure that a person operating a telephone account is a genuine person? Have investigators the right to investigate telephone betting accounts in South Australia?

**The Hon. K. T. GRIFFIN:** I will refer that question to the Minister of Recreation and Sport and bring down a reply.

## STAFF APPOINTMENTS

**The Hon. N. K. FOSTER:** I seek leave to make a brief explanation before asking the Minister of Community Welfare, representing the Minister of Agriculture, a question about staff appointments.

Leave granted.

**The Hon. N. K. FOSTER:** The other day in the debate on the so-called Emergency Powers Bill I referred briefly to a full colonel being given some leave to test out a position with the Department of Agriculture. Letters were written to the Minister for Defence, Mr Killen, the molecule from Moreton.

**The PRESIDENT:** Order! I hope the honourable member will not start on one of those exercises.

**The Hon. N. K. FOSTER:** I was referring to a Parliamentary record. Colonel Cool Cat Kennedy was to be released from the services of the Army, and he has now taken up a very well paid position with the Minister of Agriculture. When I mentioned that briefly in the debate last week, I was accused of being a liar and a number of other things that you, Sir, did not hear.

**The PRESIDENT:** Order! Is the honourable member asking a question?

**The Hon. N. K. FOSTER:** Yes, I am coming to the question, and I hope that you, Sir, will be as patient with me as you were with my colleague on this side who took 9½ minutes to explain a question. I want to avail myself, as I rarely do, of the leave that has graciously been given me by this Council. I was wrongfully accused last week by two Ministers who sit on this end of the front bench of the Government of not knowing what I was talking about. In a sense, they were telling the truth, but so was I, because I now understand that Colonel Kennedy was appointed by the Minister and the matter had not gone to Cabinet. Therefore, Mr Hill and his colleague did not know a thing about it. The Cabinet has not functioned as a Cabinet ever since the razor gang came in. Mr Griffin is on the razor gang. Members opposite do not know what is going on in the place.

I understand that the salary of this ex-soldier is quite considerable. I do not worry too much about that, but I would like to know what it is. What is his experience in agriculture? When I was in the Army, we dug holes and filled them in again, or we dug latrines. That was our only association with the earth, apart from occasionally scorching it.

Will the Minister representing Mr Chapman say how long Colonel Kennedy has been the Minister's minder? What were his qualifications for the job? What is his salary? Does he receive superannuation? What was the cost to the

State Parliament of his release from Duntroon, through the Minister for Defence? What are his specific duties? Was the matter submitted to the razor gang or did it involve Cabinet approval, after the razor gang had decided on the appointment? Did Colonel Kennedy get the position because he had been associated with the Leader of the Liberal Party, the wellknown Brigadier Willett? Finally, in view of the fact that an alarming number of people are leaving the State because they cannot get employment, why did not the Government pursue the possibility of employing a local person who had obvious qualifications for the position?

**The Hon. J. C. BURDETT:** I will refer the honourable member's question to the Minister of Agriculture and bring back a reply.

## ABORTION COMMITTEE

**The Hon. ANNE LEVY:** I seek leave to make a brief explanation before asking the Minister of Community Welfare, representing the Minister of Health, a question about the report of the Abortion Committee.

Leave granted.

**The Hon. ANNE LEVY:** Every year the committee established under legislation to report on abortion statistics in this State has brought to Parliament a report containing comments and relevant statistics for the previous year. This has occurred ever since the legislation was changed in late 1969. The first report, dealing with the data of 1970, was received by the Parliamentary Library on 3 September 1971, although a summary of the statistics relevant from that report was received by the library on 19 April 1971. The second report of this committee, dealing with the 1971 calendar year, was printed on 5 April 1972. The third report, dealing with the 1972 data, was received by the Parliamentary Library on 16 May 1973.

The fourth report, dealing with 1973, was ordered to be printed as a Parliamentary paper on 28 March 1974. The fifth report, dealing with the 1974 data, was laid on the table on 5 August 1975. The sixth report, dealing with 1975, was laid on the table on 10 June 1976. The seventh report, dealing with 1976, was ordered to be printed on 28 July 1977. The eighth report, dealing with 1977, was laid on the table on 13 July 1978. The ninth report, dealing with 1978 data, was not laid on the table until 11 October 1979, but, of course, there had been an election and Parliament had not been sitting for a number of weeks. The report was laid on the table on the first day that Parliament sat after a lengthy break, and could well have been ready for quite some time before. The tenth report, dealing with 1979, was laid on the table on 23 September 1980. We are now at the end of September 1981, and still no report has been tabled giving the data for 1980.

As this is the latest that any report has ever been tabled in the Council other than the ninth report (in relation to which, as I have said, because of the intervening election Parliament was not sitting for quite a while), will the Minister ascertain why the committee's eleventh report, containing the 1980 data, has not yet been tabled and when we can expect to receive this information?

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

## PUBLIC TRANSPORT

**The Hon. G. L. BRUCE:** I seek leave to make a statement before asking the Attorney-General, representing the Minister of Transport, a question regarding overloading on public transport.

Leave granted.

**The Hon. G. L. BRUCE:** I understand that during the petrol shortage last week dangerous overcrowding occurred on State Transport Authority buses, particularly articulated buses, which, I am led to believe, are licensed to carry 71 seated persons. I am not too sure about the position regarding standing passengers. I understand that during the rationing period (and not just on the odds and evens days) 185 persons alighted from one of these buses, which, I believe operate from the Noarlunga Centre and from Elizabeth.

If my information is correct (as I believe it is), it means that 114 people would have been standing in that bus. They were able to get away with that number of people on the bus because the roads were reasonably free of traffic. However, the bus drivers were concerned about the situation because the buses were not handling as they should because of the load on them. Had there been an emergency, I imagine that some of the people on the buses could have been seriously hurt.

In the light of the obvious overloading (not only on the articulated buses but also on all other buses) during the peak period, when petrol rationing proper had been imposed, will the Minister say whether he considers such overloading to be a dangerous practice and what, if any, instructions are issued about overloading, first, during unusual circumstances and, secondly, during normal times? Will the Minister also endeavour to ensure that no dangerous or serious overloading occurs, irrespective of the reasons for such overloading?

**The Hon. K. T. GRIFFIN:** I will refer the honourable member's question to my colleague and bring back a reply.

## FARM TREES

**The Hon. J. E. DUNFORD:** I seek leave to make a statement before asking the Minister of Community Welfare, representing the Minister of Agriculture, a question regarding farm trees.

Leave granted.

**The Hon. J. E. DUNFORD:** I do not know whether the Minister has received a letter from Mr Alan Thatcher, who is the Chairman of the Organising Committee of 'Focus on Farm Trees'. If he has, I recommend that the Minister read that letter. In case the Minister has not received such a letter, I point out the national conference relating to farm trees was held in Melbourne last year, although this letter was sent to me only this month.

I am surprised to see that 350 persons, including some 60 farmers, attended the conference. In his letter, Mr Thatcher states that funding to assist land owners in restoring tree cover is now available from the Victorian Forests Commission under the Tree Growing Assistance Scheme.

A lot of honourable members may have seen television coverage of an elderly gentleman who travels the world encouraging people to grow and protect trees. It seems to me that this gentleman has a lot of support. Many people have suggested to me that this Government, if it was interested in unemployment, could employ a lot of people through the Department of Local Government to grow trees throughout the West Coast, which is practically denuded of trees, as you, Mr President, know. Although it is shameful for one to drive from here to Port Pirie and see how the farms have been denuded of trees, it is pleasing to see that 60 farmers have attended this conference. It seems to me that the 1981 farmer is more educated and more conservation conscious than were his forbears.

Will the Minister read this letter? If he does not have a copy of the letter, I will supply one to the Minister. These

people came to a lot of decisions regarding how farmers could be encouraged to grow farm trees. Does the Minister intend to introduce a scheme to encourage farmers to grow trees? Also, will he confer with the Minister of Industrial Affairs on methods by which the Government could encourage the growing of such trees in farming areas?

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

## CYSS

**The Hon. BARBARA WIESE:** I seek leave to make a statement before asking the Minister of Community Welfare, representing the Minister of Industrial Affairs, a question regarding CYSS.

Leave granted.

**The Hon. BARBARA WIESE:** Last night, I attended a public meeting sponsored by the Plympton CYSS during which discussions surrounded the Commonwealth Government's decision to maintain CYSS until 28 February, by which time it intends to have new guidelines for the CYSS programme. During the meeting, the Federal member for Kingston, who is also a member of the Federal Minister's Parliamentary committee dealing with this matter, said that the Federal Minister intended to call for submissions forthwith from CYSS project officers and interested members of the community regarding the CYSS guidelines, which submissions he will then consider before drawing up the final guidelines by the end of the year.

Anyone with any experience in decision making, particularly Government decision making, would know that this time table, as outlined by the Minister through his representative at last night's meeting, is totally unrealistic if the community is to have any say at all in the formulation of the new guidelines.

I might add, too, that under this time table no provision at all is made for public comment once the guidelines have been drafted. Most honourable members will agree that that situation is totally unsatisfactory, as one of the initial criticisms the Government in relation to the CYSS programme was that the guidelines were not suitable for the sort of programmes that are currently operating. It therefore seems reasonable that proper time should be made available to project officers in the various CYSS programmes to enable them to put forward their ideas on suitable guidelines for future programmes.

First, does the Minister agree that his Federal colleague's proposed time table for drawing up new guidelines for CYSS is unrealistic if he seriously wants public participation? Secondly, will the Minister advise his Federal colleague that that is so? Thirdly, will he ask his Federal colleague to extend the time during which submissions can be received so that they can be properly taken into account? Finally, will the Minister ask his colleague to guarantee that CYSS project officers have an opportunity to comment on the draft guidelines before they are implemented?

**The Hon. J. C. BURDETT:** The member for Kingston must be a very hard working member, because he was also present at another meeting that I attended last night. I will refer the honourable member's question to my colleague in another place and bring back a reply.

## INTERSECTIONS

**The Hon. N. K. FOSTER:** I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister of Transport, a question on electronically controlled intersections.

Leave granted.

**The Hon. N. K. FOSTER:** Honourable members and also the people who belong to the flat earth society in the Highways Department, namely, the engineering section, will recall that I have asked a number of questions in respect to electronically controlled traffic intersections in this State. To ensure that members know to what I am referring, I point out that my previous questions have been aimed at the number of intersections which, because of the natural contours of the surrounding land, lend themselves to overpasses, underpasses and cutting-type crossings which allow free access to traffic in both directions. Ample room is provided at a number of intersections for left and right hand turns to be made through modern engineering techniques.

The Highways Department has a flat earth attitude in this respect. I have raised the matter before, and the answers have always been that it is much cheaper to throw together a few bunches of wires, add a few staunchions and a few lights and, 'Presto', we have an electronically controlled intersection. It is much cheaper than any other type of crossing. However, the flat earth society of the Highways Department has not taken into consideration and will not reveal to the community that the cost of the stop and go of traffic (especially to the S.T.A.) is incredibly high, to say nothing of inconvenience and lead pollution especially in residential areas and in the vicinity of schools.

As a classic example one takes the intersection of Gorge Road and Darley Road and one finds that it is perched some 13 feet to 15 feet on the crown of the approaching roadway. The electronically controlled intersection adjacent to Flinders University and also the Tapleys Hill Road and Blacks Road intersections are classic examples of the flat earth policy of the engineering section of the Highways Department. It has refused to look properly at the surrounding area to ensure that proper use is made in regard to safe and free-flowing access.

I am not deterred by the non-answers from the Minister in this regard and I do not make any criticism of him, as he has to rely on his department. However, the department is not doing its job in this respect. Will the Minister take up the matter of electronically controlled intersections that I have mentioned, particularly the intersection of Montague and Bridge Roads, Pooraka, as well as the intersection that is about to be installed with electronic devices at the deviation road from Blacks Road where it intersects with Grand Junction Road at Northfield? Can he say whether or not the department has carried out alternative siting of the approaching roadway with a view to using the contours of the surrounding area to ensure that there is no need for an electronically controlled intersection?

**The Hon. K. T. GRIFFIN:** I will refer the question to my colleague the Minister of Transport and bring back a reply.

## FUEL RESEARCH

**The Hon. R. C. DeGARIS:** Can the Attorney-General say whether the Government has any agency or department undertaking studies of the possibility of growing plants or trees in South Australia capable of conversion to hydrocarbon type fuels? If so, what is the agency or department involved in that research?

**The Hon. K. T. GRIFFIN:** I will have some inquiries made and will bring back a reply.

## ZAMBIA PROJECTS

**The Hon. B. A. CHATTERTON:** I seek leave to make a brief explanation before asking the Minister of Commu-

nity Welfare, representing the Minister of Agriculture, a question on projects in Zambia.

Leave granted.

**The Hon. B. A. CHATTERTON:** During the visit of the President of Zambia to South Australia, the South Australian Minister of Agriculture announced that he would be providing technical assistance to that country funded by the Australian Government. He went on to speak about the value of the South Australian dry land farming system using self-regulating medic. Quite obviously there was a misprint in the report of his remarks as he must have meant 'self-regimenting' medic.

Will the Minister inform the Council on how far negotiations have proceeded with Zambia and what type of project is being contemplated in that country? What area in Zambia has winter rainfall and growing conditions similar to those in South Australia where the medic/cereal rotation could be used?

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

## FIRE PROTECTION

**The Hon. J. R. CORNWALL:** Has the Minister of Community Welfare a reply to my series of questions of 19 August on fire protection?

**The Hon. J. C. BURDETT:** As far as the Minister of Health is aware, no existing hospital, institution or nursing home fails to meet the building regulations and no new regulations have been adopted by the Government specifically relating to fire protection in health buildings. It is the responsibility of the Building Fire Safety Committee, administered through the Minister of Local Government, to ensure there is adequate fire protection in existing health buildings. I understand that this committee has recently visited some health buildings and advised of the need to upgrade fire protection and safety. However, all existing health buildings necessarily conform to the fire protection regulations which applied at the time of construction.

As a result of the work carried out by the Building Fire Safety Committee over several years, many health facility boards of management are concerned to upgrade fire protection of buildings for which they are responsible. The State Government has received 33 direct requests from hospitals, institutions and nursing homes for subsidy to upgrade fire protection. In addition, the Private Hospital and Nursing Homes Association has made an approach to the Minister on behalf of its members.

It is impossible to ascertain the total cost of bringing all health buildings into line with the current standards recommended by the Building Fire Safety Committee as many private institutions and nursing homes are ineligible for State Government subsidy, and therefore no assessment of their needs has been undertaken. The South Australian Health Commission estimates that the likely fire protection expenditure in hospitals eligible for Government subsidy is between $8 000 000 and $9 000 000. This figure does not include the larger metropolitan teaching hospitals where a detailed survey would be required to ascertain the work required, or hospitals where the fire protection can be included in redevelopment and upgrading schemes.

All applications from hospitals and other health facilities normally eligible for capital subsidy have been accepted. Applications from three nursing homes not normally eligible for capital subsidy have been refused. The Private Hospitals and Nursing Homes Association has been advised that members not eligible for Government capital works subsidy will not receive assistance in upgrading of fire protection. It is not possible to determine how many applications will be refused. Assistance was refused to these private organisations because capital subsidy for nursing home facilities is a Federal Government responsibility.

As requested by the honourable member, the following is a list of all the health facilities which have applied for assistance to upgrade fire protection and are grouped according to the current status of the submissions:

Approved to obtain Sketch Plans and Estimates
- Balaklava Soldiers' Memorial Hospital
- Barmera District Hospital Inc.
- Berri District Hospital Inc.
- Bordertown Memorial Hospital Inc.
- Burra Burra Hospital Inc.
- Gumeracha District Soldiers' Memorial Hospital Inc.
- Peterborough Soldiers' Memorial Hospital Inc.
- Port Lincoln Hospital
- Strathalbyn and District Soldiers' Memorial Hospital Inc.
- Hindmarsh Memorial Hospital
- Thebarton Community Hospital
- Glenside Hospital.

I think it can be said that the rest of this material is statistical and I seek leave to have it inserted in *Hansard* without my reading it.

Leave granted.

LIST OF APPLICANTS

Approval for Documentation of Scheme
- Meningie and District Memorial Hospital Inc.
- Queen Victoria Hospital
- Renmark District Hospital
- Riverton District Soldiers' Memorial Hospital Inc.
- Southern Yorke Peninsula Hospital Inc.
- Burnside War Memorial Hospital
- Glenelg District Community Hospital
- Strathmont Centre

Requests recently received and under consideration
- Kingston Soldiers' Memorial Hospital Inc.
- Blackwood and District Hospital

Further Information required
- Modbury Hospital
- Memorial Hospital
- Minda Inc.

Approval to call tenders
- Minlaton District Hospital

Under Construction
- Loxton District Hospital
- Hillcrest Hospital

Included in Upgrading Proposal
- Snowtown Memorial Hospital Inc.

Completed
- Ashford Community Hospital

Refused
- Allambi Nursing Home
- S.A. Baptist Home for Aged
- Alexandra Lodge Nursing Home

As indicated previously, all recognised hospitals and institutions comply with the Government regulations on fire protection in force at the time of construction. It is the responsibility of the Buildings Fire Safety Committee administered through the Minister of Local Government to ensure there is adequate fire protection in health buildings.

## COMPANY REGISTRATIONS

**The Hon. ANNE LEVY:** Has the Attorney-General a reply to the question about company registrations I asked on 17 September?

**The Hon. K. T. GRIFFIN:** The names of the companies which have been granted a licence pursuant to section 24 of the Companies Act, 1962-1981, which enables them to omit the word 'Limited' from their names, and exempts them from lodging accounts, are as follows:

- Acts International
- The Australian Welding Institute
- The Australian Wine Research Institute
- Billy Graham Crusade (Adelaide)
- The Glenbarr Bowman and Bateman Foundation
- Institute of Automotive Mechanical Engineers
- The Institution of Radio Engineers Australia
- Loxton Community Hotel-Motel

Lutheran Mission Developments
Medical Defence Association of South Australia
National Safety Council of Australia S.A. Division
Nuriootpa Vine Inn Hotel-Motel
Recovery Group (S.A.)
St Lukes Mission
Shekinah Foundation.

## PETROL RATIONING

**The Hon. G. L. BRUCE:** I seek leave to make a brief explanation before asking the Attorney-General, representing the Premier, a question about petrol rationing.

Leave granted.

**The Hon. G. L. BRUCE:** In the *Sunday Mail* of 27 September an article appeared under the headline 'New petrol ration plan to beat panic'. In that article the Automobile Chamber of Commerce Secretary, Ray Smith, is reported as saying the following:

It just isn't reasonable for people to have to queue for even two or three hours to get petrol coupons. There obviously has to be a better system.

Every person who has a motor vehicle should have a ration card which allows him to purchase a set number of litres in the first, second and third week of a petrol strike, dependent on the size of his vehicle.

He goes on to outline how he thinks it is possible that a fair system of rationing could be implemented. The Premier was approached and is reported in the same article under a subheading 'Impossible: Tonkin', as follows:

The Premier, Mr Tonkin, said he could not support the idea of printing petrol coupons on the back of vehicle registration certificates for a number of reasons.

He goes on to outline those reasons. I believe that that shows a very negative attitude. Petrol rationing has been the greatest shemozzle of all time, and I would be interested to see how much petrol was sold on odds and evens days compared to the amount sold on the same number of days before rationing was implemented. Will the Premier seek advice from interested parties to ascertain whether a practical and prearranged system of rationing can be ready to operate in any further crisis relating to petrol rationing in South Australia?

**The Hon. K. T. GRIFFIN:** I will refer that question to the Premier. The Premier's response to that suggestion was reported when the suggestion was made. I would have thought it was quite obvious both in the concept of the plan and from the Premier's response that it was not a practical solution. Nevertheless, I will refer the honourable member's question to the Premier.

**The Hon. G. L. BRUCE:** I wish to ask a supplementary question. The Attorney-General says the suggestion would not be practical. As I understood the suggestion, 'odds' or 'evens' would be stamped on the back of a person's registration certificate, allowing a person to purchase $7 worth of petrol on particular days and dates. That would at least stop people doubling up, and a practical purpose would be achieved by having the registration papers marked.

## TREES

**The Hon. BARBARA WIESE** (on notice) asked the Minister of Local Government:

1. As referred to in the reply to my question asked on 6 August, how many specific requests for approval for planting previously prohibited tree species has the Engineering and Water Supply Department working party received from councils since the amendment to the regulations was gazetted on 30 October 1980?

2. How many of these requests were approved?

3. Will the Minister request the working party to write to every council in South Australia drawing their attention to the 1980 amendment and advising the following:

*(a)* That the amendment was designed to overcome some of the restrictions on planting tall trees.

*(b)* Inviting and encouraging councils to seek out areas where tall trees could be planted.

*(c)* Specifically offering assistance from members of the working party to help councils identify suitable areas for planting tall trees.

**The Hon. C. M. HILL:** The answers are as follows:

1. Six.

2. Three.

3. A letter drawing attention to the 1980 amendment, giving guidelines for its application and extending to councils the services available within the Engineering and Water Supply Department to assist in the planning of tree planting proposals has already been sent.

However, the identification and formulation of tree planting proposals is considered to be the responsibility of councils and not the working party. Rather, the working party's role is to ensure, within the provisions of the regulations, that the security of the installations under its control is not jeopardised by indiscriminate plantings.

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## COOBER PEDY (LOCAL GOVERNMENT EXTENSION) BILL

**The Hon. C. M. HILL (Minister of Local Government):** I move:

That the time for bringing up the report of the Select Committee on the Bill be extended to Wednesday 21 October 1981.

Motion carried.

## FIRE BRIGADES ACT AMENDMENT BILL

Third reading.

**The Hon. C. M. HILL (Minister of Local Government):** I move:

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

**The Hon. R. C. DeGARIS:** During an earlier debate on this Bill the Hon. Frank Blevins challenged certain figures I gave to the Council in relation to comparative pay figures between the Fire Brigade in South Australia and the Fire Brigades in other States. I would like to make the point that the figures I have are comparative and filed in exactly the same way, taking into account exactly the same facts in relation to all States. I seek leave to incorporate the Fire Brigade Officers Award, No. 16 of 1979, Schedule 1, which appeared in the South Australian *Industrial Gazette* No. 3, September 1981, in *Hansard* without my reading it.

**The PRESIDENT:** You wish to include some statistical figures?

**The Hon. R. C. DeGARIS:** I wish to include in *Hansard* a copy of the *South Australian Industrial Gazette* Fire Brigade Officers Award, No. 16 of 1979.

Leave granted.

**FIRE BRIGADE OFFICERS AWARD**

**No. 16 of 1979**

SCHEDULE 1. WAGES

This schedule shall operate from the first pay period to commence on or after 7 May 1981.

The lowest weekly wages or rates to be paid to employees for work performed in ordinary time shall be as follows:—

| | Total $ |
|---|---|
| 1. (i) Senior Superintendents | 400.40 |
| Superintendents | 370.80 |
| (ii) Officer-in-Charge of Engineering | 487.00 |
| Technical Supervisor (Engineering) | 352.10 |
| (iii) Station Officers— | |
| *(a)* A-Grade | 313.40 |
| *(b)* B-Grade | 290.10 |
| *(c)* C-Grade | 276.30 |
| *(d)* D-Grade | 262.30 |
| (iv) Inspecting Officers— | |
| *(a)* Supervisor | 313.40 |
| *(b)* Assistant to Supervisor | 276.30 |
| (v) Fire Prevention Officers—appropriate Grade as per section (iii) above. | |
| (vi) Fire Training Officers— | |
| *(a)* Senior Fire Training Officer | 313.40 |
| *(b)* Senior Drill Instructor | 313.40 |
| *(c)* Fire Training Officers | 290.10 |
| (vii) Special Service Officers— | |
| *(a)* Supervisor | 313.40 |
| *(b)* Assistant | 276.30 |
| (viii) Control Room Senior Supervisor | 251.20 |
| 2. Service Payment | 7.70 |
| 3. Special Extra Payment | 26.40 |

4. (i) Service payments and special extra payments shall apply for all purposes of the award.

(ii) An additional shift work, weekend and public holiday allowance payment calculated at 31.83 per centum on the respective total rates set out in subclauses 1, 2 and 3 hereof shall be payable to provide for and in lieu of the provisions of Part II clauses 4 *(b)* and 6 hereof.

Officer-in-Charge of Engineering, Special Service Officers and Technical Supervisor are excluded from this additional payment.

**The Hon. R. C. DeGARIS:** I would like to quote from part of that award. The Hon. Mr Blevins gave a figure of $262.30 as the award that station officers are granted. It states in the award that station officers, D grade, have a base rate of $262.30, that is quite true, but one must go on and read the rest of the award. To that must be added a service payment of $7.70. There is also a special extra payment of $26.40, which must also be added to that amount. The award then goes on to state the following:

*(a)* The following public holidays shall be allowed to every employee covered by that part on a weekly contract of hiring, without deduction of pay, namely—Christmas Day, Commemoration Day, New Year's Day, Foundation Day, Good Friday, the day after Good Friday, Easter Monday, Anzac Day, Third Monday in May (Adelaide Cup Day), Queen's Birthday and Labor Day; together with any other day which by Act of Parliament or proclamation may be created a public holiday, or may be substituted for any such holiday.

*(b)* All time rostered on Saturdays, Sundays and public holidays (not being Sundays) shall attract the following additional rates in lieu of any other penalty rates payable:—

| | Per Centum |
|---|---|
| Saturdays | 50 |
| Sundays | 100 |
| Public Holidays | 150 |

Clause 6 deals with shift allowances and states:

(i) Shift workers whilst on a shift falling between 1800 hours and 0800 hours on the next day shall, for work in ordinary time, be paid an additional payment at the rate of 15 per centum of the rates prescribed by the wages clause as set out in clause 6, Part I, Schedule I of this award.

If one takes all those factors into consideration, that is the base rate of $262.30 and the service payment that must be paid, the special extra payment of $26.40 and the additional shift work, weekend and public holiday allowances calculated at 31.83 per cent on the respective total rates in lieu of the provisions of Part II clauses 4(b) and 6 hereof, we find that the figures given are accurate.

Comparisons with other States were made on exactly the same basis. I am quite satisfied that the figures I have given in relation to South Australia are quite accurate. If a mistake has been made, I apologise, but I point out that the comparison is made on exactly the same basis. If a mistake has been made in the South Australian figures, then a mistake has also been made in the comparative figures interstate. The point is that the comparison is there. I am quite satisfied that the South Australian figures I have given are quite accurate.

**The Hon. FRANK BLEVINS:** I did not in any way contest the accuracy or otherwise of the figures. When the Hon. Mr DeGaris incorporated the table in *Hansard* he did not give the source of those figures. Another argument I had with him was that he attempted to give the impression that fire officers in this State were paid about $400 a week. In the Hon. Mr DeGaris' explanation today he used exactly the same figures I used when this matter was last before the Council. I quoted from the same award where the base rate for a D grade officer was $262.30 per week. That is a far cry from the $400 a week that the Hon. Mr DeGaris incorporated in *Hansard*.

Although I asked him to do so, he at no time told the Council how he arrived at that figure. Of course, as I said in my second reading speech, that figure could be arrived at if one looks at a very exceptional combination of circumstances, and I refer to public holidays and nightshift allowances. Circumstances could arise on occasions when all those penalties are accrued and an officer might earn something like the figure referred to by the Hon. Mr DeGaris. I maintain that the Hon. Mr DeGaris' second reading speech was quite misleading, because he did not incorporate the extract from the award at that time. He was deliberately trying to leave an impression in the minds of members of the Council that fire officers earn $400 every week. That is absolutely incorrect.

I believe that the Hon. Mr DeGaris is obligated to state the base rate and the penalties that could be attracted if officers had to work under certain conditions such as nightshift, weekend shift and public holidays. The Hon. Mr DeGaris misled the Council during the second reading debate and gave a false impression of the weekly earnings that ordinarily accrue to fire officers in this State.

Bill read a third time and passed.

## PRICES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 17 September. Page 974.)

**The Hon. C. J. SUMNER (Leader of the Opposition):** The Opposition supports this Bill to extend the life of the Prices Act for a further three years from 31 December 1981. Price control in this State goes back to the period immediately after the Second World War when South Australia did not remove its power to control prices when many other States did. In the 1950s and 1960s the then Premier, Sir Thomas Playford, maintained price control legislation in this State despite opposition from members of his Party in the Legislative Council and the member for Mitcham in another place.

Except for, I think, Queensland, where some vestiges of price control legislation were maintained, price control legislation was abolished in all other States. It was reintroduced in New South Wales in 1977, when a prices commission was again established in that State. Originally, it had a very broad scope and was used on a large number of goods. In the years since the war, the extent of the use of price control and the number of items that come under price control have contracted.

In 1977 the Labor Government sought to place the price control provisions of the Prices Act on a permanent basis. We believe that the powers in this Act should be permanent.

At that time the then Opposition opposed that move and said that this legislation should be considered by Parliament at regular intervals. The Hon. Mr Burdett tried to indicate that the Act could be used to impose socialism through administration, and that it could be used to impose controls over all areas of industry in this State. Quite clearly he was being absolutely alarmist about the situation if the Prices Act became permanent. I do not believe it could be used in that way and it certainly would not be used in that way in existing circumstances by a Labor Government to control prices across the board throughout this State. While we do not think there is any justification in the criticism, in November 1978 we agreed to the legislation having a period of three years, which was the period agreed to by the Liberal Opposition. At the end of 1977 the Liberal Party opposed this legislation being placed on the Statute Book permanently. However, the Hon. Mr Burdett said that the Liberals would consider their position and agreed to a triennial consideration of the Prices Act. That is the position we are now considering—the renewal of the three-year period set by the Parliament in 1978. There has been a quite significant change to prices administration since then, although the powers have not been removed from the legislation. This Bill indicates that the Liberal Party at least intends to maintain some skeleton powers over prices for a further three years.

**The Hon. J. C. Burdett:** The same powers.

**The Hon. C. J. SUMNER:** The same powers, but the way in which they have been used has been changed. The Hon. Mr Burdett could not deny that. He could not deny that in 1979 the Prices Commissioner was directed by the Government to alter the number of items and the system of control that existed. The system of price control was weakened by the present Government in January 1980. A three-tier system was introduced of direct controls, whereby a price could not be increased unless prior approval was obtained from the Prices Commissioner. A second system of justification was introduced whereby prices could be increased by a company but could be reduced subsequently by the Prices Commissioner. That happened in relation to beer prices earlier this year. A third system of monitoring was introduced whereby the companies concerned would have to regularly provide information about price increases, but with no direct controls.

The items that were within those various categories were changed considerably in January 1980 and, in general, the system of price control was considerably weakened. That is not surprising, because the Liberal Party has said that it believes in free market forces operating within the economy of the State. It also believes in a minimum of interference by the State in the market. The Labor Party believes that price control powers in this State are essential and that there is no objection to the legislation being permanent. In effect, the legislation has been permanent in South Australia since the war.

**The Hon. J. C. Burdett:** Only from year to year.

**The Hon. C. J. SUMNER:** Indeed, renewed from year to year, but without any substantial objection to that renewal, certainly in recent times. It is a little difficult to see why legislation of this kind should not be permanent on the Statute Book, because it gives the power to the Government to intervene where it feels there is justification for such intervention. Even this Government, with its so-called professed philosophy of a free market, with minimal interference in the market and the economy, has had to impose price control in relation to petroleum prices. Under political pressure, it had to reduce the price of beer that had initially been notified by the South Australian Brewing Co.

**The Hon. J. C. Burdett:** There was no political pressure on that occasion.

**The Hon. C. J. SUMNER:** I find that very hard to believe, because the Hon. Mr Burdett knows there was discussion and criticism of the Government's attitude on petroleum prices. Criticism of the fact that the price of beer could increase to the extent it had was certainly highlighted on the front page of the *News*. The Labor shadow Minister of Industrial Affairs, Mr Wright, called for a reduction in prices, and subsequently the price was reduced. There was political pressure. The point I make is that even this Government, with its so-called free enterprise principles, has seen the need to intervene with price control in some areas. On that basis, I cannot see why the legislation should not be permanent.

That does not mean that the Labor Party would support price control across the board on all goods produced within the South Australian community. A number of factors must be taken into account. First, South Australia cannot be isolated from the rest of the Australian economy, so that any price control that is imposed must be imposed in the context of South Australia's position in the national economy. Secondly, price control can be used, or should be used, selectively. Traditionally, it has been used in such areas as staple food items to ensure that people's necessities, particularly food necessities, were kept at a reasonable level. It can be, and has been, used in relation to products that affect the cost of production in South Australia, such as petroleum products or gas. Sir Thomas Playford used price control in both those areas of staple food items and products that affect the production costs to maintain that South Australia had lower costs in the community and in industry, and he used this as an argument to encourage industrial development in South Australia. Therefore, in those two areas a strong case could be made out for the imposition of price control.

The other factor that must be taken into account is the degree of monopoly and competition in a particular industry. If there is clearly a monopoly, the case for price control becomes much stronger. If there is free and open competition, the case is much weakened. I believe that the approach of the Labor Party to price control is sensible. It is ideologically consistent. We do not, as the present Government does, talk about the free market or non-interference in business and then practice the opposite. We believe that there is a case for sensible regulation and control in the public interest, and that price control is one area in which that regulation can be imposed in the public interest, particularly in the areas I have outlined.

The position of the Liberal Party is characterised by a great deal of hypocrisy because, while it talks about the free market and, in general, says that prices should not be controlled, it believes in a free market on prices and profits but does not believe in a free market on wages. The Federal Government's condemnation of any wage settlements that are organised outside its wage indexation guidelines indicates the Government's attitude in that regard, namely, that it is absolutely condemnatory if unions, operating in the free market, try to get wage increases outside certain imposed guidelines. However, it is prepared to allow prices and profits to go unregulated.

It has been argued that one of the only ways to get back in a position of full employment without inflation is to have a system of controlling prices and incomes. The present Federal Government's philosophy is that by promoting unemployment one can bring down inflation, and, when inflation comes down, the employment position will improve. That has been the Federal Government's philosophy since 1975, when it was elected. I do not think anyone could say that its aim in this area has been fulfilled, because unemployment is still high, as is inflation.

So, one argument can be put that, unless there is a system of price control that goes along with the present system, and perhaps a broadened system of economic control, it is impossible to get back to a situation of full employment without inflation. For that reason, the Federal Labor Party established and supported the Prices Justification Tribunal, which Mr Fraser said he would not abolish in 1975 but which he has now abolished.

Without the equity between control and regulation of wages that exists at present and some corresponding control of prices and profits, one can return to a position whereby full employment in this country cannot be achieved. For that reason, at the general philosophical level, the Labor Party believes that there is a need for a price control mechanism at both the national level and the State level.

However, it is clear that our position at the State level is conditioned by the fact that we are a State in a national economy, and any decision taken on prices would also be conditioned by the other factors to which I have referred, including the extent of monopolies, the extent of competition, and the products with which we are dealing, be they luxury items or items of necessity that affect the general cost of production in South Australia.

The Opposition's position is sensible and ideologically consistent. On the other hand, the Government's position is certainly not ideologically consistent. I should like to give the Council an example of the Government's putting its ideologies above the community interest in the area of price control.

I refer to the Government's appalling record in relation to petrol prices. Most South Australians would recognise that this has been one of the most appalling bungles in which the Liberal Government has ever been involved. Its hide bound anti-price control philosophy led to the chaos and confusion, in relation to price control, which existed in this State over many months and which cost individuals and industry in this State millions and millions of dollars.

I believe that the Minister of Consumer Affairs, who is responsible for prices in this State, must bear the political responsibility for that shambles. However, I believe that it was actually another example of the Premier's not knowing what he was doing and of his intervening in the administration of his Minister's portfolio. The Premier intervened in such a way that it made the Minister look like a fool. The unfortunate thing for the Minister is that he must take that political responsibility.

I should like briefly to detail what happened in that fiasco. It began originally when the problems of petrol resellers became intolerable because of discounting and competition between the oil company sites and those of the independent resellers. The fact is that the oil companies effectively controlled the market. They forced down the price and thereby cut margins to resellers to uneconomic levels. The questions of petrol discounting and of oil company control of the market have been with us for some time. This led in 1978 to the so-called Fife package of proposals which dealt with divorcement of the oil companies from the retailing area and the prohibition of price discrimination.

No action was taken by the Federal Government on that legislative proposal until the Federal election in 1980, when a limited version of the Fife proposals was put into effect. However, the fact that nothing was done at the Federal level to try to ensure genuine competition at the retail level by compelling the oil companies to divorce themselves from the retail market meant that the discounting continued and that pressure was applied to independent resellers.

In June 1980, the New South Wales Government acted by reducing by 2c a litre the price of petroleum products. That was a reduction of 2c below the Prices Justification Tribunal price, and it was to reflect the fact that in New South Wales, as in the other States, discounting of 3c, 4c and 5c below the Prices Justification Tribunal's justified wholesale price was occurring.

At that time, the Minister (Hon. J. C. Burdett) said that that solution was not the answer. I had to call on the Minister to investigate the New South Wales proposal, and described it as an imaginative solution. However, in June 1980 the Minister said that it was not the answer. Yet by November 1980 the Minister was doing exactly the same thing. He used the price control powers to reduce the Prices Justification Tribunal justified price by 3c a litre. One of the arguments, apart from modifying the difference between country areas and city areas, was to place oil companies and independents on a more equal footing by reducing the scope for discriminatory pricing by the oil companies.

Honourable members will recall that within three months the price rose by about 9c a litre in South Australia. Then, we started getting the absolutely erratic behaviour that characterised the Government on this issue. First, the price of super-grade petrol was increased by 1c a litre in January. In February, less than two months after the original order was made, the price control on petrol was removed. From November to February we went from having the cheapest petrol in Australia to having the most expensive—from about 30c a litre to 39.5c a litre by the end of February. In April 1981, I produced a plan which involved the use of price control powers to reduce both the retail and wholesale price of petrol by 2c. This was in line with the action that had been taken by the New South Wales Government in June 1980. It had the advantage of continuing the co-operation which had existed on petrol prices between the South Australian and New South Wales Governments while the Labor Government was in power and which was abandoned by the Liberal Government.

That call was ignored until June 1981, when the pressure on the Premier became so great that he then applied pressure of his own on the oil companies. The hypocrisy of the free market philosophy of this Government came very much to the fore. While Mr Burdett was saying that he did not believe the Government should interfere in the market in this area and that the prices should be set by the market, the Premier was getting the Shell Company in and telling it to reduce the price of petrol by 3 cents a litre. That cannot be denied. There is no doubt that a conference was held. There is no doubt, because of the public pressure imposed by the Government, that Shell then decided to reduce its wholesale price by 3 cents. Ironically, this occurred on the very day that Mr Burdett was quoted in the *News* as saying that the price of petrol in South Australia was the right price.

**The Hon. J. C. Burdett:** I didn't say that.

**The Hon. C. J. SUMNER:** The *News* states that South Australians are paying the right price for petrol, according to Mr Burdett.

**The Hon. J. C. Burdett:** You show it to me.

**The Hon. C. J. SUMNER:** I will get it and show it to the Minister in the Committee stages if he doubts my word. That is what he was saying.

**The Hon. J. C. Burdett:** No, I wasn't.

**The Hon. C. J. SUMNER:** The Minister can claim that he has been misreported, as seems characteristic of this Government.

**The Hon. J. C. Burdett:** I did not say it.

**The Hon. C. J. SUMNER:** Well, it is in the *News*.

**The Hon. J. C. Burdett:** And it's not in the *News*.

**The Hon. C. J. SUMNER:** I will get it. In addition Mr Burdett was saying that the free market should be able to operate. He will probably deny that he said that. On that

very day there was an announcement in the *News* that Shell was going to reduce its price by 3 cents. By June we were back to a position that existed before November when the Government intervened in the first place with its price control reduction order of 3 cents. The predictable reaction, which I would have thought that the Hon. Mr Burdett would foresee, was that the petrol resellers were back in the same position as they were in prior to November 1980, whereby their margins were going to be squeezed by the oil companies; they were thrown back into the hands of the oil companies.

There was the threat of the close-down of the Birkenhead plant as well as petrol stations. The Premier intervened again and used his price control powers to impose a 3 cent reduction. I think honourable members would have to concede that that was one of the greatest shambles that has occurred under this Government and there has certainly been a number of them. In New South Wales, there was a reduction of 2 cents in June, and the Minister said this was not the answer. He then did a similar thing with a 3 cent reduction in November. In February, he decided that that was not the policy and he removed the price control order. In June, the Premier tried to pressure the companies and successfully pressured Shell to reduce its price by 3 cents. The resellers then decided to take action to close their petrol stations and we were back to the position of direct controls being imposed yet again.

I believe that this all occurred because the Government has no consistently logical and clear philosophy in the area of price control. It did not follow the New South Wales lead in June 1980. I believe that there was considerable merit in co-operating with New South Wales. Secondly, when the Government used its price control powers in November it only reduced the wholesale price and did not impose a maximum retail price or a maximum margin as had occurred in New South Wales. Thirdly, having in effect removed the discounting in November, it removed price control in February 1981, so that the consumer in South Australia was left without the benefits of discounting and price control.

Between November and February the Government was pressured by the oil companies, so it decided that it would alter its policy and remove price control in February 1981. It steadfastly refused to reimpose it until June 1981, when it was forced to do so because the petrol resellers threatened action. This all happened while the Government was submitting to the Prices Justification Tribunal that there was a margin for petrol price reduction; it was before the Prices Justification Tribunal arguing for a reduction in petrol prices and saying that the basis on which the Prices Justification Tribunal ruled was not satisfactory. While it was doing that, it was still not prepared to take action in South Australia and use its price control powers to reduce the price by 2 cents as had happened in New South Wales. I believe that that was quite hypocritical and wrong of the Government.

The ironic aspect of the whole matter is that the oil companies have ended up with a reduction of 3 cents in South Australia in their wholesale price, whereas the reduction in New South Wales was only 2 cents. Under the so-called free enterprise Government in this State the oil companies are in a worse position than they are in New South Wales.

**The Hon. J. C. Burdett:** Are you worried about that?

**The Hon. C. J. SUMNER:** No. They are only in that position because of the Premier's half-smart attitude to politics. Labor's plan was for a 2 cent reduction. The Premier said to his mates, 'I can do better than that; I will get you a 3 cent reduction.' He then pressured the oil companies for a 3 cent reduction, and had to impose such a reduction through price control. How absurd can one get? How can the business community in South Australia operate with a Government that is as erratic and as inconsistent as that? If it has a free enterprise philosophy let it say that it has and let it allow the oil companies to have their price increases. Of course it was not prepared to do that; it was not prepared to carry through the logic of its philosophy.

All that the business community and the oil companies in this State are ending up with is a situation of chaos, a situation in which they do not know where they stand. I do not know whether the Minister is personally responsible, as opposed to politically responsible, for this shambles, but I suspect it is just another example of the Premier's not knowing what he is doing in the area of economics. I do not think that anyone who understands the situation regarding petrol pricing in this State, or anyone who understands the economics of it and the various forces acting on it, could come to any conclusion other than that the Premier bungled the whole thing from beginning to end. I believe that the Hon. Mr Burdett was the unwitting tool—

**The Hon. M. B. Cameron:** That line is becoming a bit boring.

**The Hon. C. J. SUMNER:** It just happens to be true.

**The Hon. M. B. Cameron:** It just happens to be the thing you're trying to push.

**The Hon. C. J. SUMNER:** I do not think that even the Hon. Mr Cameron could deny that.

**The Hon. M. B. Cameron:** Of course I do.

**The Hon. C. J. SUMNER:** How could you deny it? How could any sensible person justify the carry-on between November 1980 and June 1981 over petrol prices, when the policy seemed to change about four times in that period?

**The Hon. J. C. Burdett:** The situation changed.

**The Hon. C. J. SUMNER:** We know that the situation changed, but any Government worth its salt could have foreseen how the situation was changing and could have foreseen the results of certain acts. The Government went to the oil companies in June 1981 and asked them to, in effect, start price discounting again. The petrol resellers were upset by that because it placed them in the same situation they were in during November 1980. I am surprised that the Hon. Mr Burdett did not foresee that and warn the Premier that that was exactly the reaction.

**The Hon. J. C. Burdett:** No-one asked whether price—

**The Hon. C. J. SUMNER:** The Government asked the oil companies to reduce the price by 3c a litre—in other words, the oil companies were discounting their price by 3c a litre below the P.J.T. price; that is a fact. Of course, the resellers were going to be upset. I am very surprised that the Hon. Mr Burdett could not foresee that situation occurring. He says that the situation changed. The only thing that changed was that the Government could not make up its mind.

**The Hon. J. C. Burdett:** That is not true.

**The Hon. C. J. SUMNER:** The Hon. Mr Burdett says that is not true. All I can do is challenge anyone, worker, businessman, petrol reseller, oil company representative or fair-minded politician, to look at the facts: over the period from November 1980 to June 1981, the only conclusion is that the Government did not know what it was doing. It did not know what it was doing because it put its ideology in this area above the community interest. In the area of prices, the Labor Party has a consistent philosophy, which I have outlined. Where price control is necessary in the community interest, we will use it, and use it consistently. On that basis, clearly the powers that are in the Act are needed and we would support the continuation of these powers for a further three years. The Minister has doubted one of the quotes that I have attributed to him. I will certainly clarify that matter during the Committee stage.

**The Hon. G. L. BRUCE:** I noticed when reading the second reading explanation given by the Minister that he said that it is the Government's policy to minimise interference in the operations of business, and in particular to minimise restrictions in the market prices of goods and services. Nevertheless, the Government recognises the need in some circumstances to use price control as a legitimate means of ensuring fair trading in the market place. This is particularly so in relation to prices for petroleum, liquor and wine grapes.

I would like to buy into the liquor argument. I wonder how much instability has been engendered by this Government because of its failure to come to grips with what is happening in the liquor industry. At present we have a maximum price for bottled beer. However, there is a dog-eat-dog attitude operating outside, where we see offers of anything up to 16 bottles to the dozen and various variations of that offer. The Government has never come to grips with a minimum price, which would stabilise the industry. In last night's *News*, the industry was reported as saying that it is concerned that Coles is going into bottle outlets again. I think that three outlets are being challenged by the Hotels Association and interested parties because they are concerned that, if discounting becomes prevalent in the liquor industry, it will destroy the infrastructure built up over many years.

**The Hon. R. C. DeGaris:** Some time ago the Parliament passed an amendment.

**The Hon. G. L. BRUCE:** I am pretty sure it related to maximum prices. There is no minimum price fixed, so sellers can go as low as they like.

**The Hon. R. C. DeGaris:** Are you suggesting there should be a minimum price?

**The Hon. G. L. BRUCE:** Yes, to get some stability in the business. While I take notice of what the Hon. Mr Sumner said about petrol, what concerns me is the high price of petrol, withdrawal of services at the bowser and the public being asked to do their own work. Now the same thing is happening in the liquor industry. One drives up to an outlet and, because of the failure of employers to have staff on, and because of their inability to pay staff, one does one's selecting and loading. Staff are kept to a minimum, as are prices, so there is a double-barrelled effect to the extent that this sort of discounting is doing away with employment.

In some situations there is unfair discounting. For instance, some clubs operate without paying wages, and discount draught beer over the counter to their members. That immediately puts an undue strain on the industry that is legitimately employing people, paying wages and trying to make a profit to keep the infrastructure of that industry sound. I believe that, although the Bill retains price control for a further three years, to protect the liquor and wine grape industries there should be a more in-depth study to ensure a much more stable market and employment for people in those industries. Otherwise, a dog-eat-dog cut-throat situation will continue to develop, as happened with petrol retailing. We sat by and watched petrol stations overnight virtually turn into self-service stations, thus destroying the smaller businessmen.

Moreover, the large operations, which used to employ 20 or 30 people on weekends, now employ two or three people and you are your own salesman, operator and everything else. I believe that a similar situation could develop in the liquor industry, as is happening in some areas. I believe that some consideration should be given to ensuring that price control operates fairly to provide stability in the industry concerned.

**The Hon. J. C. BURDETT (Minister of Consumer Affairs):** I thank honourable members for their contributions. I sometimes wondered whether the Hon. Mr Sumner really did support the Bill. The only issue in the Bill is whether or not the principal Act should be extended for three years; there is no other issue. A great deal of what the Hon. Mr Sumner said was totally irrelevant to that issue and I do not propose to reply to it in great measure.

**The Hon. C. J. Sumner:** Because you cannot.

**The Hon. J. C. BURDETT:** I believe in making my remarks relevant to a Bill.

**The Hon. C. J. Sumner:** You are insulting the President now.

**The Hon. J. C. BURDETT:** I am not. The only issue before the House is whether or not the Bill should be extended for three years. Because it is an extension, the whole matter of price control is before the Council. Because there was nothing irrelevant about what the honourable member said under Standing Orders, I did not take a point of order. All we are dealing with at the moment is whether the Act should be extended. The Leader referred to me as saying, when this matter was before the Council in 1978, that the Prices Act could be used to impose socialism through administration. In essence, I did say that and I adhere to it, because the Act could be used in that way. A financial system could be completely controlled through price control, and that has been advocated from time to time. In his speech this afternoon, the Leader also canvassed the possibility of all income control: not only wage control, but the control of all incomes.

**The Hon. M. B. Cameron:** There is a name for that.

**The Hon. J. C. BURDETT:** Yes, there is a name for it. I doubt whether the public would appreciate that sort of concept.

**The Hon. C. J. Sumner:** Are you saying that wage earners should have their wages controlled, but not other groups of the community?

**The Hon. J. C. BURDETT:** I did not say that at all. The Leader can read what I said in *Hansard* tomorrow. I said that the Leader canvassed the possibility of controlling all incomes. I hope the public is made aware of what he has said. He canvassed the possibility of controlling all incomes. The Leader said several times that the Labor Party stand on price control was ideologically consistent, and I think that it has been. The Labor Party has always maintained that there should be price control, and I think it has always tended to use it in a heavy-handed way that would be adverse to industry and the development of industry in this State.

Ideologically, the stand of the Liberal Party on price control has always been consistent. We have always said that the normal place for prices to be fixed is through the market forces in a free market, private enterprise system. We have always acknowledged that there may be circumstances through monopolies, cartels or other situations where the free market forces do not apply. That has been the case in the petrol situation where there is only one last resort, and that is price control. We have never changed from that ideological stance. Generally speaking, our stance has always been that prices should be fixed in the market place under the operation of free market forces. Where they are not operating correctly, price control must be used as a last resort.

In the United Kingdom the Thatcher Government abolished price control. I spoke to officers from the Offices of Fair Trading and the Consumers Association in that country, and both agreed that prices in the United Kingdom were probably lower than they would otherwise have been, because price control had been abolished. They both said that there was a mechanism to increase prices under price

control and that where you have such a mechanism there is a temptation to use it. That is what has occurred in the past. When that mechanism was taken away, the forces of free enterprise applied and, broadly speaking, they felt that while perhaps prices did not come down in money terms because of inflation, they were lower than they would have been otherwise. I pointed out that it depended on the place in question. The United Kingdom has a much larger economy, there are not as many monopolies, and there is greater scope for the play of free market enterprise. In a small economy such as South Australia it is more likely that there will be monopolies. The Government's stance has been consistent. In a free enterprise country the ordinary place to fix prices is in the market place. When that does not work something else must be done.

In relation to the petrol situation, I explained to the Council what happened at all stages. I do not intend to go into it in detail again, because it has no bearing on the question of whether or not the expiry date of the Prices Act should be extended from 31 December this year to 31 December 1983. In relation to some of the points made by the Hon. Mr Sumner, he referred to divorcement and the Fife package. At all times the Premier and I have been consistent in everything we have said about the petrol situation. We have both said consistently that we believe that full divorcement and the Fife package on a Federal basis were part of the answer. We have said that consistently, and we have even said it since the Federal Government acted in a limited way to introduce partial divorcement.

While the Premier and I have said that we believe that there is a lot of merit in divorcement on a national basis, that is, separating petrol companies from the retail point of sale on a 100 per cent basis, I cannot see that there is much ability to do that on a State basis. The petrol industry is national. To introduce divorcement on a one-State basis would not work for a national industry. In fact, it would probably put the price up, because it would remove the oil company operators' resale outlets which, generally, have been the main force in leading the price down. I also believe that it is unconstitutional.

The Leader has lauded New South Wales, but in initially imposing price control to the extent of 2c on a wholesale and retail level, he was also talking about discounting. I point out that it did not stop discounting in that State. The retail price situation in New South Wales is completely chaotic and totally unstable. It is one of the greatest difficulties in bringing the national retail industry back into some sort of order, and there has been no effective result from the action taken in New South Wales.

I have already explained fully what happened early in 1981. In relation to the action taken in May and June of this year, the Premier and I acted together at all times. Any action taken in relation to the oil companies was in concert between the Premier and me.

The Leader was wrong when he said that when price control was imposed, the Premier used his price control powers because, first, the Premier does not have any powers and he did not use them. The price control powers lie with the Prices Commissioner. He imposed the price control powers and he had discussions with the Premier and me. In fact, I announced that price control had been imposed.

**The Hon. C. J. Sumner:** The Government didn't have anything to do with it?

**The Hon. J. C. BURDETT:** Yes, of course it did, but it was not the Premier. The Premier has no price control powers. The Premier and I acted completely in concert and I reject any suggestion that the Premier made me a fall guy. The matter raised by the Hon. Mr Bruce about petrol outlets is certainly a problem in this State. One of the major problems with this industry is that there is far too much proliferation of outlets. There are too many points of sale.

The question is whether the Government should do anything. There is power under the Motor Fuel Distribution Act for the Government to do something about it. Of course, the present Deputy Leader of the Opposition in another place, who was then the Minister of Labour and Industry (Mr Jack Wright), when the previous Government was in office, set up a Select Committee in the House of Assembly to consider whether something could be done about rationalising petrol outlets. Certainly, he ran away from it—nothing was done. I think it would be fair to say that, when he saw the political consequences of trying to do something like this by Government action, he decided it was better to leave it alone. Certainly, the Hon. Mr Bruce is quite right that that is one of the biggest problems in the industry.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—'Cessation of operation of certain provisions.'

**The Hon. C. J. SUMNER:** The Minister accused me during the second reading debate of misquoting him. The fact is that on Thursday 25 June 1981 on the front page of the *News* a 3c petrol price cut was announced. The Premier had been able to induce the oil companies to make that cut without price control. I pointed out in the second reading debate the quite silly attitude of the Government in maintaining the validity of a free market and at the same time approaching the oil companies and saying, 'We are in a bit of political trouble. Will you reduce the price of petrol by 3c?' That is what the Premier did. The reduction was announced on Thursday 25 June. On the same day but, admittedly, only in the City State edition, the Minister, Mr Burdett, stated the following:

> The price of any product is best determined on the open market. 'The Government intervenes only if market forces indicate there is cut-throat, selective discounting.' Consumer Affairs Minister, John Burdett, is explaining that he believes South Australians are paying the right price for their petrol . . . 'We see no present cause for the Government to intervene in petrol pricing in this State.'

That was on Thursday 25 June 1981. That article appeared in the same copy of the *News* as did the front page announcement by the Premier that he had done better than Labor by reducing the price not by 2c but by 3c. That is what I was referring to, and I trust I have clarified the Minister's attitude. That is why I say that the Minister was made a bunny in this issue. I believe that the Premier did not really know what he was doing and that he left the Minister out on a limb.

Just in case the Minister wants to make something of my comments about the prices and incomes policy, I want to say that that concept is nothing new. In fact, prices and incomes policies have been imposed at various times by such people as Richard Nixon in 1972 and certainly by Labor Governments in the United Kingdom. The point I was making in regard to the Liberal Party in this country was that apparently it does not mind control on all wage earners through the arbitration system or through indexation. It criticises wage earners if they try to make wage settlements outside certain guidelines, and that cannot be denied. Although the Liberal Party is happy to maintain that situation, it says it does not believe in price control, except in a very limited area. That was shown recently when the Prices Justification Tribunal was disbanded and a limited tribunal was set up to consider petrol prices.

Our position at the national level is that, if one expects wage earners to moderate their wage claims, the *quid pro quo* must be some kind of regulation or monitoring of prices

so that wage earners do not lose their purchasing power. It was on that basis that I mentioned the notion of a prices and incomes policy, which was put to a referendum in this country in 1973. The national Government does not have power over prices and incomes: it must be the only Government in the world that does not have that power. I certainly believe that the Government should have that power at the national level. That does not mean that it will be used in any particular way. I was not suggesting that the South Australian Labor Government would impose limits on income earnings or anything of that kind: I was saying that there is an argument that, if one is to overcome the unemployment situation and at the same time keep inflation down, the only way that can be done is by comprehensive prices and incomes policies, as opposed to the policy of the Federal Government.

In effect, the Federal Government's policy is not to worry about employment and perhaps to encourage unemployment, and allow that to encourage a moderation of wages, to dampen down inflation. The consequence, the argument goes, is that once inflation is brought down, the employment situation will improve. I was concerned to point out to the Council that that has not happened. I do not want the Minister to be under any misapprehension about the situation. I support—

**The Hon. J. C. Burdett:** Do you want control over incomes?

**The Hon. C. J. SUMNER:** I would support a national prices and incomes policy, yes. I do not make any bones about that. The question is how it would be used, and that is another matter. The present Government's attitude is to select one group in the community—the wage earners—and say, 'Your earnings and bargaining power must be regulated, but we will not regulate the bargaining power of other people in the community.' I do not believe that that is just. I do not believe that the Government can go to one section of the community and say, 'Your wages and incomes should be regulated' if there is not a system of regulating or monitoring prices as well. I was concerned to point out that to the Minister, who may have misrepresented what I said on that point.

**The Hon. J. C. BURDETT:** What the Leader has said does not have very much to do with the clause. I will, therefore, simply contain myself to replying to the points that the Leader made. Regarding pricing and the *News* report, it is clear, even from what the Leader read, that it is not claimed in the *News* that I said that the price was right. That was the conclusion that the *News* drew from what I said.

**The Hon. C. J. Sumner:** You said you were explaining that the price was right.

**The Hon. J. C. BURDETT:** That was the gloss that the *News* put on what was said. The *News* reported me as saying what I have said in the Council today and what I have said consistently previously: that normally the price is best fixed in the market place. I spoke to the *News* about that occasion. What I actually said was factually reported, but it was said several days before it was printed. The situation was changing rapidly at that time, and that is why the Government acted.

Prices came down at that stage in other States, and there was a disparity between the retail price of petrol in South Australia and that in other States. That is what eventually motivated the Government to act. The statement which I made to the *News* and in which I did not say that the price was right was made several days before it was reported, and this happened against a background in which things were happening rapidly, with prices tumbling interstate.

The other matter to which the Leader referred related to the control of incomes. I wanted merely to make clear in my reply to the second reading debate, and I want to make clear again now, that obviously the Leader thinks, albeit on a national level, that there ought to be control over incomes as well as control over prices. I hope that the public knows that the Leader believes that there ought to be a power to control incomes.

**The Hon. N. K. FOSTER:** The Minister has missed the point about what the Leader has said regarding control over wages and prices. The machinery that was available to this Government and the former Government, and that former Government's policy, went some way towards ensuring that a whole range of commodities were under direct price control. The Minister ought to realise that, if there was the same control over prices as that exercised by the courts in this country over wages, his department might have some worthwhile work to do. If the Minister was to have a look at the prices of fresh fruit and vegetables, for instance, in Adelaide, he would find that they are on average about 15 per cent higher than any other.

Clause passed.

Title passed.

Bill read a third time and passed.

## MINING ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 24 September. Page 1165.)

**The Hon. R. C. DeGARIS:** The Bill makes a number of unrelated amendments to the Mining Act. The main amendment deals with the proposed changes in the strata title system for mineral land. As all honourable members know, Western Mining Corporation presently holds an exploration licence in respect of Olympic Dam, which has the potential of becoming one of Australia's largest mining areas.

**The Hon. N. K. Foster:** Possible potential.

**The Hon. R. C. DeGARIS:** I think a potential or a possible potential.

**The Hon. N. K. Foster:** That's right, but the emphasis has been on the former. It has a potential.

**The Hon. R. C. DeGARIS:** It has the potential.

**The ACTING PRESIDENT (Hon. M. B. Dawkins):** Order! The Hon. Mr DeGaris has the floor.

**The Hon. R. C. DeGARIS:** It has the potential of being one of Australia's largest mining areas. However, it is not possible under the existing provisions of the Mining Act for the company to undertake exploration beneath a declared precious stones field. It is important, from the point of view of the eventual development of the mineral potential of the area, that such exploration beneath a declared precious stones field is undertaken.

According to the Minister's second reading explanation, the proposal has been discussed with the opal miners associations, and has received their approval. The proposal in the Bill deals only with the question of strata titles beneath precious stones fields for the purpose of exploration. If a mine is to be established near a declared precious stones field, further amendments or consultation with the Parliament will be necessary.

There has always been severe opposition to any large company exploring for precious stones. I have always felt that opal miners have taken a short-sighted view of this question. I do not, in mentioning this point, advocate a take-over of precious stones fields by large company operations—not at all. But, if we are to maintain an opal mining industry as a worthwhile industry in this State, more effort must be put into exploration.

The present rewards for those who undertake exploration work is not commensurate with the effort and expense

required. It appears to me that the information that may come to the Department of Mines and Energy from testings and exploration in the area covered by a proposed strata title tenement or exploration licence in that area might well produce new information on precious stones that could be of importance to the opal industry. However, information about which no-one knows anything is probably being accumulated now. One of the reasons for that is that large companies cannot get exploration licences for precious stones.

I support the proposal in the Bill in relation to exploration in strata titles on precious stones fields. I make the point (and I will touch on it again shortly in relation to other parts of the Bill) that we need to consider improving the abilities of people to undertake exploration for new precious stones fields.

My next point concerns the proposals for the distribution of royalties. Under the principal Act, royalties payable shall be 2.5 per cent of the value of the minerals. The Minister determines the value of minerals upon which royalties are payable. The Minister assesses the value of the minerals immediately upon recovery from the earth. When the assessed value has been determined by the Minister, the miner is notified.

The miner can, within 60 days, appeal to the Land and Valuation Court against the assessment of the minerals when removed from the earth. The proposed change is that the value of the minerals, under the Bill, will be assessed by the Minister as:

> The amount that could reasonably be expected to be realised upon sale of the minerals assuming that any processing that would normally be carried out by the mining operator were in fact carried out by him, or at his expense, and the minerals were delivered to a purchaser at the expense of the mining operator at the nearest port.

The Minister shall have the discretion to reduce the royalty rate if the 2½ per cent under this system would render mining operations uneconomic. I have done a considerable amount of research in regard to the means of assessing mineral royalties in the other States. With our present ruling on statistical evidence I will have to read it to the Council as it should be incorporated in *Hansard*.

**The PRESIDENT:** I cannot assess the matter without first seeing it.

**The Hon. R. C. DeGARIS:** I am just making the point that the information should be in *Hansard*. The results of my research are as follows:

QUEENSLAND

*Coal*—Exports

For open cut coal—5 per cent of f.o.r. (free on rail) value.

Underground coal—4 per cent f.o.r.

*Coal Consumed in the State*—5c per tonne.

*Bauxite*—The rate is calculated on a complicated formula involving the relationship between the world price of bauxite ten years ago and the current price. The royalty charged cannot be less than $1 per tonne.

*Gold, Tin, Copper, Zinc*—Royalty is calculated on a profit basis. There is an exemption for the first $30 000 gross profit. Royalty is usually charged at 2 per cent of gross profit above this figure.

*Gemstones*—5 per cent of realisable amount over $10 000

*Mineral Sands*—Generally 2 per cent of f.o.b. (free on board) value. In the case of certain minerals the price cannot fall below a specified minimum, for example:

Rutile—$3 per tonne
Ilmenite—$1.50 per tonne
Silica—25c per tonne

*Petroleum and Gas*—10 per cent of well-head price.

WESTERN AUSTRALIA

*Iron Ore*—Exports—

Lump ore 7½ per cent of f.o.b. value.
Fine ore 3¾ per cent of f.o.b. value.

The minimum rates for these ores are 60c and 30c per tonne, respectively.

*Ore Consumed within Australia*—15c per tonne subject to an escalator clause depending on the price of pig iron at Port Adelaide. At present it is 47c per tonne.

*Bauxite*—50c per tonne subject to an escalator clause which depends on the world price. Present rate $1.27 per tonne.

*Nickel*—Based on a formula compiled by the International Nickel Company (0.5).

VICTORIA

*Coal*—

Black coal 6c per tonne—on site.
Brown coal 4c per tonne—on site.

*Gypsum*—20c per cubic metre—on site. If used for agricultural purposes 8c per cubic metre.

*Oil and Gas*—Averages 10-12½ per cent of value at the well head but also depends on the size and location of the field. Various deductions for cost of pipelines, etc., can be made in calculating the well-head value.

*Stone*—40c per cubic metre or 30c per tonne whichever is the lower.

*Limestone*—20c per cubic metre or 15c per tonne whichever is the lower.

NEW SOUTH WALES

The situation in New South Wales is complicated. The Minister has discretionary power to fix a rate of royalty. Consequently a variety of special deals have been negotiated with different companies. One example may be given with B.H.P. The rate of royalty is fixed at 4 per cent of the first $400 000 net profit, increasing at a rate of 2 per cent for each subsequent $400 000 profit until a maximum of 50 per cent is reached.

For other minerals such as antimony, zircon, zinc, etc., royalty is based at the rate of 4 per cent of the value of the mineral. The definition of value changes. Sometimes it is the value of the mineral f.o.b. at other times it is value on site. In the case of coal the royalty rate of $1.70 per tonne is levied when the coal is sold. The rate for the minerals listed below is levied on the value of the mineral on site:

Clay 25c per tonne
Shale and Mineral Sands 25c per tonne
Gypsum 35c per tonne
Iron Ore 35c per tonne
Alumina 70c per tonne
Bauxite 35c per tonne
Limestone 35c per tonne

SOUTH AUSTRALIA

When we come to South Australia, we find that the rate at which minerals are assessed for the purpose of royalty payments is laid down in the Mining Act. Section 17 (2) of that Act states:

> The amount of the royalty shall be two and one half per centum, or in the case of extractive minerals [quarry products, sand, etc.] five per centum of the value of the minerals as assessed for the determination of royalty.

The Act allows wide discretion in the assessment of the value of minerals for it goes on to state:

> The Minister shall assess the value of minerals for the determination of royalty and the assessed value shall be such as, in the opinion of the Minister, fairly represents the value of the minerals immediately upon recovery from the earth.

Clearly then, royalty payments are governed by what the Minister considers to be a fair payment. This is usually calculated on the basis of the value of the mineral on board ship less the cost incurred in getting it there. However,

mining royalties are affected by two indenture agreements signed between the Government of the day and two of the largest miners in this State, B.H.P. and ETSA.

In the case of B.H.P. the royalty paid on iron ore was set at 18 pence per ton for high grade iron ore and 6 pence per ton for lower grade ore. This rate is calculated on the basic selling price by the company of pig iron c.i.f. Port Adelaide and this rate was to be varied as the price of pig iron went up or down (see Broken Hill Proprietary Company's Steel Works Indenture Act, 1958—indenture section 9 (2-4)). According to the Mines Department, this indenture meant that for many years B.H.P. paid less royalty than would have been the case if the 2½ per cent assessment had applied. But with the continual rise in the price of pig iron, they now pay slightly more than this rate.

In the case of ETSA a royalty of 10c per ton (not tonne) is paid on Leigh Creek Coal under an agreement signed between ETSA and the Government in 1959 (ETSA Annual Report, 1960). ETSA also pays the Commonwealth Government a royalty of 2½c per tonne under a 1977 agreement for coal research.

Natural gas provides a further exception to the rate of royalty laid down in the Mining Act. In this case royalty is paid at a rate of 10 per cent of the value of the natural gas at the well-head and the value at the well-head is calculated by subtracting from the amount that the natural gas might be expected to realise in a sale to a genuine purchaser all expenses incurred in treating, processing or refining the gas prior to delivery or in conveying the gas to the point of delivery to the purchaser. This calculated price is determined by the Minister. Yet another exception relates to the mining of precious stones on which no royalties are paid.

It was mentioned earlier that the royalty paid on extractive minerals was at the higher rate of 5 per cent. According to the Mines Department about 10c per ton of material is paid. The total amount collected is not paid into general revenue as is the case for other minerals but into the 'Extractive Areas Rehabilitation Fund'.

This fund was established under section 63 of the Mining Act. In 1979-80, royalty payments on minerals in South Australia were as follows:

| | $ |
|---|---|
| B.H.P. (mainly iron ore but some limestone) | 1 300 000 |
| C.S.R. (Mt Gunson copper) | 270 000 |
| Adelaide, Wallaroo Fertilizers (Burra copper) | 40 000 |
| Miscellaneous minerals (salt, gypsum, limestone) | 132 000 |
| ETSA (Leigh Creek coal) | 163 000 |
| Natural gas | 3 400 000 |
| Carbon dioxide (South-East) | 5 000 |
| | $5 310 000 |

In looking at this question of assessing the mineral royalties, one can see that every State has a different means of approaching it and different policies in regard to its computation. As far as New South Wales is concerned, it is almost a totally discretionary system with different forms of royalties applying to different companies mining the same materials and different royalties applying to different minerals. This is a most complex submission to get one's mind around as to which is the correct method of approach.

I appreciate the South Australian position, whereby there was a set 2½ per cent royalty based on the value of the minerals as extracted from the mine. I know that there is still a great discretion on behalf of the Minister in determining what that value is. Nevertheless, the royalty rates were fixed at 2½ per cent and the Minister had only the one task of fixing the value of the minerals as they came out of the mine.

I harbour certain doubts about the desirability of this change. It appears reasonable to assume that the income to Treasury from mining royalties under the proposal will increase. One would base that assumption on the discretion the Minister wishes to assume, in reducing the royalty, if in his opinion the royalties to be paid would render the operation uneconomic. I would assume that the Minister would have had some sums done, and I ask the Minister in charge of the Bill: what increases in royalties does the Government expect from the proposed changes?

The point that concerns me is the granting of discretion to the Minister on the question of royalty payments. Although I have not made up my mind on this new clause, I would seek from the Minister in reply at the second reading stage more information on the reasons for this change. The principal Act provides for the issue of precious stones prospecting permits to any person. The Bill specifies that a person cannot be a body corporate. The second reading explanation states:

> Companies will not be allowed to hold precious stones prospecting permits under the provisions of the Bill.

Many companies have been formed by opal miners in order to circumvent the principle that only one claim may be held by one person. If the opal industry is to flourish, there is a need to encourage exploration for new fields. I am unsure of the reasons prompting the Government to prohibit a body corporate from engaging in exploration and prospecting for precious stones. There may well be excellent reasons for taking this action, and perhaps I could ask again for more information on this point.

The point at issue here, of course, is that people who are prepared to spend money on exploration outside declared precious stones fields should be entitled to rewards for their efforts if they do happen to turn up a new field. If this proposed change reduces the encouragement for exploration, then the industry as a whole will suffer accordingly.

There are other matters concerning the Mining Act that require examination and possibly amendment. I am not ready at this stage to speak upon those matters, as they are reasonably complex questions. Section 19, dealing with the question of private mines, is one such area. Another is the clause dealing with and defining exempt land. However, I have not been able to complete my research on these two points. If the Bill is still in the Council following the fortnight's break for the requirements of the House of Assembly Estimates Committees, I may be able to deal with these two sections of the principal Act, but I am not prepared at this stage.

I had certain doubts when I first looked at the Bill about extending exploration licences from two to five years. I now accept the position as being reasonable, but from the second reading explanation one might have assumed that the Government intended issuing exploration licences for a full period of five years. The amendment does not do that; it grants the exploration licence for only two years with the right of the Government, if it is satisfied with the exploration work being carried out, to extend that exploration licence for a period of five years.

I point out that exploration licences are an excellent means of encouraging exploration in South Australia, but that there are one or two problems with exploration licences. One is that a company can hold an exploration licence to look for minerals but only be interested in one particular mineral, ignoring all others. This has happened before. One finds that exploration is held up when one company holds an exploration licence over an area that other companies or people may wish to explore for different minerals. However,

while that exploration licence is operating that cannot be done.

I wish to point out that, in issuing exploration licences, the Government should have the power to issue those licences for specific minerals. I doubt whether, under Part V, the Government has that power at this time, although I believe that the original Mining Act did give the Government that particular power. I draw that point to the attention of the Government—that in the issuing of exploration licences it should be possible for the Government to issue those licences covering different forms of mineral exploration in the same area.

With those comments, I support the second reading of the Bill, but point out that, if the Bill does remain for more than a couple of days in this Council, I will be raising other matters later, particularly in relation to sections 19 and 9, which deal with the questions of private mines and exempt lands respectively.

**The Hon. D. H. LAIDLAW** secured the adjournment of the debate.

## SOUTH AUSTRALIAN HEALTH COMMISSION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 24 September. Page 1167).

**The Hon. J. C. BURDETT (Minister of Community Welfare):** I thank the Hon. Dr Cornwall for his contribution, which was certainly very thoughtful in some areas. At the start of his contribution he referred to the activities of the Health Commission generally and criticised the commission and the Government. He referred to his call for a Royal Commission and said that he would expand that during the Budget debate. I think, by implication, he acknowledged that that is the proper place to do that, so I do not propose to say anything more about his comments in that regard because they are not strictly relevant to this Bill, as I think the honourable member acknowledges.

The next point that the honourable member made was his criticism of the second reading explanation, his claim that it should have been couched in clear English, and so on. I must join issue with him regarding that criticism. Although I am no expert in the health field, I found the explanation perfectly comprehensible; it appeared to me to be in accordance with ordinary English usage and explained the Bill according to its terms. It did not cover some matters that the honourable member would have liked covered, such as policy matters, but that is not what the Bill is about. It did explain the Bill in accordance with its terms, relating to some of the specified matters to which the honourable member referred.

I turn now to clause 4, which deals with the definitions, and to the repeal of the Third Schedule. 'Government health centres' are presently defined as those specified in the Third Schedule to the Act and any others which may be prescribed. The second reading explanation at the time of introduction of the South Australian Health Commission Act in November 1975 indicates that it was intended that the services and centres identified in the Third Schedule would become incorporated under the Act, thus enabling the commission to withdraw from direct service delivery and hand administration of the particular service over to properly constituted local management bodies. It remains commission policy to withdraw from direct service delivery and to encourage management of services to occur as close to the delivery point as possible.

The commission, as part of its charter, is also required to rationalise and co-ordinate health services. To do so, it must look at integration of health services. In doing so, it has become clear that it is inappropriate for all organisations listed in the Third Schedule to be separately incorporated. The commission's policy is to look at services and organisations on an individual basis—having regard to the merits in each case—in both metropolitan and country areas in order to arrive at the most appropriate form of management for each. The honourable member acknowledged that, particularly in country areas, there can be cases where it may be necessary for hospital and health services to be incorporated into the same body.

Factors which the commission takes into account include: the nature of the service; the way in which it is structured; geographical location; relationship with other services; the community it serves; and the wishes and needs of the community it serves. In some areas it has been appropriate for units to be separately incorporated, and this has occurred, for example, at the Clovelly Park Community Health Centre, Ingle Farm, which was referred to by the honourable member. In other areas, different models have developed—domiciliary care services in the southern and northern areas have been separately incorporated, while eastern domiciliary care service has requested incorporation with Royal Adelaide Hospital and the Hampstead Centre.

In country areas particularly, it is important that local hospitals and health centres work together and, where possible, be incorporated under the Act as a single entity. This kind of liaison is already occurring in some places (for example, Port Lincoln—where they have particularly requested that the Third Schedule legal barrier to their integration be removed).

The honourable member mentioned Christies Beach. This organisation was experiencing particular management difficulties, and it was decided therefore to place it under the administration of the Flinders Medical Centre, in about May this year. The new Morphett Vale Health Centre is also operated by Flinders Medical Centre as an experimental model. The Department of Community Medicine at Flinders Medical Centre is closely involved in both the Christies Beach and Morphett Vale projects.

The honourable member also mentioned St Agnes Community Health Centre. No decision has yet been taken on future management arrangements for this centre. There were problems of internal management at the centre, and the commission has recently established a management committee consisting of commission and health centre personnel, the Administrator of Modbury Hospital, the Department for Community Welfare District Officer and two other persons with local knowledge. Under section 17 of the South Australian Health Commission Act, the commission has delegated management powers to the committee. The committee's existence is limited to end February next, by which time a decision will be made as to the best way to proceed.

There are a number of options which could be followed, for example: separate incorporation; incorporation with Modbury Hospital; and incorporation with Ingle Farm Community Health Centre. The Executive Director of the Central Sector and the commission are considering the most appropriate way to proceed.

The existence of the Third Schedule implies that the organisations listed therein will be separately incorporated. It is now clear that this is not appropriate in all cases. There needs to be some flexibility. The Crown Solicitor has advised that the listing of health centres in the Third Schedule is a barrier to their integration with hospitals, and should be repealed. Consequently, it is necessary to redefine 'Government health centre'.

The new definition enables those Government health centres which should be incorporated in their own right to

be designated by regulation. The Minister of Health in another place gave an assurance that health centres were in no way disadvantaged by the repeal of the Third Schedule, and I repeat her assurance. The Minister pointed out that absorption of health centres by hospitals was not in mind—the idea is joint management for the benefit of the health services as a whole. I give an assurance on behalf of the Minister, and I hope this will satisfy the honourable member, that it is not the Minister's intention to force joint incorporation on organisations. Another point which is relevant is that, where a community health service is incorporated with an institution, separate budgets will be maintained to ensure an independent management capacity of these services.

In relation to the honourable member's comments about clause 9 (and he linked them to clause 13 and so do I in reply), section 27 (3) *(a)* presently provides:

> Where any hospital is incorporated by proclamation under this Act:
>
> *(a)* any prior incorporation of the hospital or of any body by which it was administered, is dissolved.

The section in its present form thus provides for the automatic dissolution of any incorporation of a body, the health service functions of which are being taken over by the new incorporated hospital. This is not sufficiently flexible, since it does not provide for any case where the body previously performing health service functions that are to be taken over by the new body is required to continue in existence.

When it is planned to combine different organisations to create one corporate body under the Act, it must be clear which bodies are dissolved when that occurs, and whether property vests in the new corporate body. The clause amends section 27 of the principal Act by providing that, where an incorporated hospital is established to take over from any other body the function of providing health services previously provided by that other body, the proclamation establishing the incorporated hospital may provide for the dissolution of any incorporation of that other body and, in that event, all the property, rights and liabilities of the dissolved body are transferred to the incorporated hospital.

The provisions of the Act relating to the procedure for incorporating hospitals and health centres are virtually identical, that is, sections 27 and 48. It was, in fact, in relation to an incorporation under section 48 that the need for this amendment became obvious. For consistency reasons, it is necessary to amend both sections of the Act and, because the hospital incorporation provisions come before the health centre incorporation provisions, the major explanation is included at this point. I believe that the incorporation of the Mothers and Babies' Health Association with the Child Adolescents and Family Health Services unit of the Health Commission was mentioned in the second reading debate. The new body will be known as the Child Adolescent and Family Health Service. I suggest that the honourable member is confusing the issue when he refers to clause 9 (3a) *(b)*, which is new subsection (3a) *(b)* of section 27, as a catch-all clause. In fact, new subsection (3a) *(b)* is very similar to section 27 (2) *(b)* of the existing legislation.

The honourable member may recall that when the legislation was passed it provided for two means by which a hospital or health centre could become incorporated. One method was that, if the organisation was already in existence and was not a Government organisation, the governing body could consent to incorporation. Mutual agreement had to be reached on the terms of the constitution. In any other case, that is in the case of a Government health unit or a new health organisation that had no formal governing body, recommendation for the commission to approve the constitution would be sought. In fact, even in this latter case, it has been the Government's practice to consult with interested persons and those who will be involved in the running of the newly incorporated service during the development of the constitution. It is not a catch-all provision and it is not intended to force incorporation. It is essentially a restatement of the existing provisions, but with the necessary provision to enable clarification as to which body is dissolved and which body continues where different bodies are combined to create one corporate body under the Act.

The weight of annual expenditure increases in the teaching hospitals has been reduced from the very high rates of increase that occurred after cost-sharing was introduced. At the same time, teaching hospitals' funding has been increased in advance of inflation in each year since the Government came to office. The Government believes that better management of available resources can maintain and in some cases improve standards and qualities of patient care, without necessarily incurring large increases in expenditure.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Interpretation.'

**The Hon. J. R. CORNWALL:** I was interested to hear, during the Minister's contribution, what I take to be a clear statement that clause 4 is being used as an instrument of policy. This matter was not clear in the second reading explanation and that is why I criticised it. Will the Minister expand on what he means by a redefinition of a health centre, and what he means by saying the clause will be used as an instrument of policy?

**The Hon. J. C. BURDETT:** I thought this was made clear in the second reading explanation. I replied that the Government does not intend in this clause or in any of the other clauses of the Bill to take away the independent management of hospitals or health centres. As has been explained, there have been some problems in flexibility. The existing Act has been quite rigid. There were some hospitals and health centres that could be incorporated.

One of the main reasons for the overall change in this area in several clauses of the Bill can be seen, as I have said, with regard to the Mothers and Babies' Health Association. I believe that the move to incorporate the association under the provisions of the Health Commission Act was under way before the Government changed, but I am not sure about that. The problem is that the Mothers and Babies' Health Association runs Torrens House, which is, arguably, a hospital and, therefore, under the provisions of the existing Act it would not be possible to incorporate it because, under the existing Act, hospitals and health centres are kept strictly separate. The purpose of this series of amendments is to allow flexibility so that a body that has some elements of a hospital and some elements of a health centre can be incorporated.

The Hon. Dr Cornwall acknowledged that it may be desirable to do that in the country, and I would suggest that in some cases it may be desirable to do that in the city, in particular in relation to the Mothers and Babies' Health Association. I can certainly assure the honourable member that the Minister does not intend to use the new clause in any sinister way to try to take away the rights of independent management of hospitals and health centres. In my reply, I have acknowledged that, broadly speaking, large teaching hospitals have a job of their own to do and should not have health centres attached to them.

The object of the clause and of the series of amendments is to give an enabling power so that there can be flexibility and so that, where it is in the interests of the community concerned for the hospital to have a health centre attached, it may be possible to have one incorporated body, which

may have some elements of a hospital and a health centre. I also stated at the second reading stage that no compulsion is involved: it is a question of what each body (the hospital or the health centre) desires. The amendment intends to give flexibility.

**The Hon. J. R. CORNWALL:** I accept that explanation, which, in fact, seems to be very satisfactory. However, it confirms the point I made in the second reading stage that the original second reading explanation was quite unnecessarily technical and brief. Had this sort of reference been made, particularly the reference to Torrens House, we would all have known what the Government was at.

Clause passed.

Clauses 5 to 7 passed.

Clause 8—'Annual report.'

**The Hon. J. R. CORNWALL:** I am quite bemused by this clause and I seek further clarification as to why it is necessary to include the clause at all. The clause refers to the efficiency of incorporated hospitals, incorporated health centres, and any health service established, maintained or operated by or with the assistance of the commission. As I said in the second reading stage (and the Minister did not reply), on the face of it this clause deserves support only because it seems to be purely cosmetic. I would have thought it should be taken for granted, to be quite implicit, that the operations of the Government, or of any Government, public authority, or statutory authority, would be in the most efficient manner possible. I cannot for the life of me understand (although the Minister can perhaps explain) why it was considered necessary to put this in.

**The Hon. J. C. BURDETT:** It was not included just for cosmetic reasons. It is intended to spell out in the Act, if the Bill is passed, that those matters (namely, the efficiency, and so on, of incorporated hospitals and health centres) are to be taken into account. That does not apply in the present Act.

What the honourable member has said is perfectly correct: of course they ought to be taken into account. That is the purpose of this clause. The efficiency of hospitals and health centres should be taken into account. However, there is nothing in the present Act to spell out that it is within the ambit of the Health Commission to consider these matters. This is picked up in another clause in relation to the Auditor-General.

Of course, the efficiency of any health organisation is important and essential but, because that is not spelt out in the present Act, in the case of an independent hospital or health centre it is a matter of concern to the Health Commission to look at the efficiency of such an operation. For that reason, this provision is inserted in the Bill.

**The Hon. J. R. CORNWALL:** The example of the Auditor-General that the Minister gave is quite inappropriate. I suspect that is being done as a result of advice from the Crown Solicitor, and it is entirely appropriate. I have no questions about that, and I had no intention of raising it. However, I make the point again that this seems to me to be window dressing. Will the Minister say whether this was done on the advice of the Crown Law Department, on the commission's initiative, or whether it is just a political initiative taken by the Minister?

**The Hon. J. C. BURDETT:** This action was taken on the initiative of the commission.

Clause passed.

Clause 9—'Incorporation, etc.'

**The Hon. J. R. CORNWALL:** I am still not entirely happy with the Minister's explanation of new subsection (3a) *(b)*, particularly when it is considered with new subsection (3a) *(a)*. (3a) *(a)* talks about the governing body of that other body consenting to the establishment of an incorporated hospital, and of the commission and the governing body having reached mutual agreement upon the terms of the constitution under which the incorporated hospital is to operate. That is all sweetness of life and most unexceptional. However, I am still not entirely satisfied with new subsection (3a) *(b)*, which gives the Commissioner a virtual power of veto.

**The Hon. J. C. BURDETT:** It does not give the Commissioner a virtual power of veto, because new subsection (3a) *(b)* applies only in other cases. It does not apply obviously and in terms of cases covered by new subsection (3a) *(a)*. If cases are covered by new subsection (3a) *(a)*, which the honourable member kindly referred to as the sweetness of life, that is the end of the matter.

It is only in some other cases which probably cannot be seen in advance and which are not covered by new subsection (3a) *(a)* that it is necessary to make some provision. Only in that case will the commission be required to approve of the terms of the constitution.

**The Hon. J. R. CORNWALL:** The Minister has just confirmed that this is a catch-all clause. He referred to things that could not be seen in advance. Before the Minister made that statement, I was going to ask him to give an explanation to clarify the matter. The Minister seems to have pre-empted that by saying that it is there to cover cases that cannot be foreseen at this stage. Perhaps the Minister, using his legal talents, could hypothesise and give the Committee one or two examples.

**The Hon. J. C. BURDETT:** I refer to a case where an organisation that was not a Government organisation was already in existence, the Government body had the consent to incorporation, and mutual agreement had to be reached in terms of the constitution. If in any other case the Government health unit or a new health organisation had no formal governing body, it would remain for the commission to approve the constitution. That was in the existing Act.

In fact, even in the latter case it has been the Government's practice to consult with interested persons and those who will be involved in the running of the newly incorporated services during the development of constitutions. It is apparent that the honourable member has quite properly been concerned with the actual administration of the existing Act and of the Act as it will be amended by this Bill. He has sought a number of assurances, some of which have been given and which I hope will satisfy him.

Proposed new subsection (3a) *(b)* applies only in cases that are not covered by proposed new subsection (3a) *(a)*. The Government makes clear that, in that case and in cases which are not already covered (if any should arise), it will consult with the bodies concerned.

**The Hon. J. R. CORNWALL:** Could I have an assurance that no such cases exist at present?

**The Hon. J. C. BURDETT:** The assurance is that no such bodies exist at this time.

Clause passed.

Clauses 10 to 18 passed.

Clause 19—'Recognised organisations.'

**The Hon. J. R. CORNWALL:** Again, I seek some information and an assurance from the Minister. This clause amends section 61 of the principal Act by striking out paragraph *(a)* of subsection (1), which referred to the Australian Government Workers' Association, and inserting in lieu thereof 'the Federated Miscellaneous Workers' Union of Australia, South Australian Branch'. The Minister would be aware that some difficulties have been experienced in the amalgamation of these two unions; it has involved a fairly exhaustive sort of story.

I believe (although I would like confirmation of this) that that amalgamation has now been registered through the court. I would like to know what consultation took place with the Australian Government Workers' Association and

the Federated Miscellaneous Workers' Union of South Australia during the drafting of these amendments. I took the trouble to telephone the Assistant State Secretary of the A.G.W.A. to discuss this question with him. Interestingly enough, this was the first that he had heard of it.

In the circumstances, after I had explained the matter to him, the union's Assistant State Secretary seemed to believe that it was unexceptional. The two extraordinary things are that it was brought in at a time when delicate negotiations were proceeding and the amalgamation of the two unions had possibly not been formally completed. Also, it appears that it was done without full consultation with the A.G.W.A., which would have had the potential to create all sorts of difficulties, both legally and otherwise.

**The Hon. J. C. BURDETT:** There was adequate consultation. The Minister received a letter, and the letterhead reads, 'The Federated Miscellaneous Workers Union of Australia, South Australian Branch incorporating Australian Government Workers Association'. The letter states:

As the honourable Minister will be already aware, the Australian Government Workers Association has amalgamated with the Federated Miscellaneous Workers Union of Australia. On 4 December 1980 the Registrar of the South Australian Industrial Commission, Mr Holland, issued a Certificate of Amalgamation (enclosed) for the new body to be known as the Federated Miscellaneous Workers Union of Australia, South Australian Branch.

Pursuant to section 61 of the South Australian Health Commission Act, 1975-1976 the Australian Government Workers Association is a recognised organisation. As a consequence of the amalgamation, our union hereby requests the honourable Minister to give effect to the making of the necessary amendments to the Act so as to reflect the name of the newly amalgamated body.

Clause 19 of the Bill is a result of that request.

**The Hon. J. R. CORNWALL:** Perhaps the State Secretary and the Assistant Secretary do not communicate with each other.

Clause passed.

Remaining clauses (20 and 21) and title passed.

Bill read a third time and passed.

## BUDGET PAPERS

Adjourned debate on motion of Hon. K. T. Griffin:

That the Council take note of the papers relating to the Estimates of Payments and Receipts, 1981-82.

(Continued from 17 September. Page 976).

**The Hon. R. C. DeGARIS:** It is rather strange that I am the first speaker on the Budget papers, although I do not mind being in that position. I do not intend to comment on the Budget as a whole. However, I would pass some comment on the matter dealt with in the tabled papers in regard to programme performance budgeting. I quote part of the report that has been tabled as follows:

I believe that stage has now been reached where we need to examine carefully the next steps in this important development. Having regard to the limited resources at our disposal, the questions which now need to be answered include:

- to what extent do we refine further the descriptive information which we have developed?
- at what pace should we proceed with a general process of recharging for services?
- do we now set about the task of establishing appropriate performance indicators for a wide range of agencies against which the efficiency and effectiveness of their operations can be measured?
- at what pace do we change the present Treasury accounting system, so that formal reporting from agencies can be directed towards programmes as well as towards objects of expenditure?

The growth of Government responsibilities in recent years has placed demands upon the structure, organisation and administrative processes of the Government. This growth, coupled with outmoded accounting and management procedures, has led to inefficiencies that need to be corrected in the public interest. The Government needs to ensure that the most efficient use of resources, the avoidance of waste, and productivity increases, are all vigorously pursued.

In pursuing this goal we need to be aware of accounting, budgeting and management procedures adopted in other countries—to use that experience to model our own system towards the desired end. We must also take into account in structuring new systems the ability of departments, agencies, authorities, department directors, Ministers and the Parliament to understand what is being done and why. We must also take into account the constitutional roles of the Parliament, Ministers and public servants, particularly the principle of collective and individual responsibilities of Ministers to Parliament.

It has been apparent for some time that the management of Government requires greater attention. Expenditure must not be approved without more care, particularly in defining the goals and objectives of the expenditure. Parliament should be pursuing more vigorously its role of holding the Government to account, but it is difficult for the backbench and Opposition to do this under the present Parliamentary conditions. Individual Ministers should be providing more leadership and direction to the departments to see that their departments are administered with economy, efficiency and should be holding them to account. In seeking change, we must be mindful of how bureaucracies react to proposals to change. Therefore, new arrangements should not be so radical as to produce despair in those who will be responsible for change.

An election promise was made by the present Government to introduce programme and performance budgeting to South Australia. The reason for this was that the Government accepted the fact that the existing systems were outmoded. Planning, programming and performance budgeting and zero budgeting have been tried in other countries with little success. As the Government promised to introduce programme budgeting, little can be gained from an examination of why programme budgeting has failed wherever it has been used. Rather, one should examine systems operating that have proved to be successful. In examining successful systems we should be able to modify those systems so that they fit into and improve the system at present in use in South Australia.

One of the most effective reforms in the machinery of resource allocation is the Public Expenditure Survey Committee in the United Kingdom (P.E.S.C.). The committee, composed of departmental finance officers and Treasury officials, reports on the projection of public expenditure. The yearly P.E.S.C. report seeks to show the future cost of existing Government policies, if those policies remain unchanged over the next five years. Its stated aim is to provide a clearer perspective so that political administrators can weigh:

1. The total spending implications of present policies against the financial resources likely to be available; and
2. Different expenditures against each other.

The P.E.S.C. cycle follows thus. In November, the Treasury sends the departments a statement about economic assumptions on which to operate in preparing their spending forecasts.

These operating assumptions will include the likely growth of productive potential, consumer expenditure, industrial production and fixed investment. By the end of February, spending departments submit preliminary returns to the Treasury, laying out their five-year expenditure projections for existing policies. The Treasury makes computer tabulations and sends the results to its relevant spending divisions, which figures Treasury scrutinises and discusses with spending departments from March to May, in order

to reach some agreement on statistical assumptions on what existing policies are and on their probable future cost.

The P.E.S.C. meets in May to report on the projection of the cost of present policies and specify areas of disagreement. This report goes to the Treasurer in June with copies to all departments. The Treasurer and Treasury officials then use the P.E.S.C. report with the assessment of the economic prospects and decide whether there is room for this total of public spending within the resources available. In June, Cabinet hears the report and decides whether cuts are necessary, or whether there is room for greater expenditure. The P.E.S.C. provides the raw material for Cabinet decisions. The P.E.S.C. is really a mid-year report of the costs of existing policies before the Ministers act.

The P.E.S.C. report is confidential to the Government and shows:

1. Level of current expenditure;
2. Assumptions on which the projections are based;
3. Proposed expenditures over five years;
4. Departmental explanations of those figures; and
5. Percentage increases by departments.

The Treasury usually supplies a supplement which includes a list of possible alternative reductions to keep expenditure at existing levels. Finally, P.E.S.C., through the finance Minister, makes its views available to Parliament.

Aaron Wildavsky, Dean of the University of California, and probably the most respected world authority on budgetary processes, reports:

> No nation in the world can match the sophistication or the thoroughness found in the British process of expenditure projection.

The advantage of the P.E.S.C. approach is that it works with officials and machinery as they are. There is no need to introduce a new type of administrative animal that nobody really understands. The approaches of P.E.S.C. can be readily grafted on to the existing organisation of Treasury with no disruption to the existing machinery.

A handful of people knowing where they are going and what is expected of them will achieve far more than a large number of people trying to do something they do not understand. Therein lies the success of P.E.S.C. over systems of zero based budgeting and programme budgeting.

If such a structure were established its functions should break up into roughly three main areas of inquiry. The first is the economic and administrative efficiency of the public services in carrying out policy. The task here would be to determine whether the best possible results are being obtained, given the nature and shape of the service which has been laid down by the Government policy and the financial resources allocated to it. The second is evaluation of whether any particular expenditure gives the community good value for the resources measured in terms of money or in terms of manpower and capital that are used in providing it. There is a variety of items of expenditure within the scope of one department and common yardsticks have to be found between them. A proposal may commend itself to a department or a Minister, but the question is always whether it is worth the cost and how it ranks alongside existing services. There is always a tendency in any large scale organisation to devote criticism to new proposals while retaining services which have outlived their usefulness. Questions which should be subjected to extensive scrutiny are, say, whether, within a health programme, building new hospitals in preference to more resources being devoted to preventive medicine should be undertaken. The third is how far can the Government expand and develop the public services. This refers to the whole range from support for development through to education, community welfare and health.

The U.K. Plowden Committee decided that the weakness of the traditional system of decision making and control was the piecemeal handling of public expenditure. This committee said that the big issues of public expenditure should be looked at as a whole and over a period of years, and in relation to prospective resources. The Plowden Committee made this recommendation on three bases.

First, if all expenditure decisions are taken independently of each other, there is no reason to expect the sum total of them to conform to a realistic view of what the State can afford or relate to any system of priorities.

Secondly, it is not possible to get any grip on expenditure by looking only at next year. In the health area, for example, expenditure develops in two phases—first, capital expenditure (which may be a hospital) taking, say, five years, then the following recurrent expenditure to service the new facility. Sometimes there are three phases—capital, training, and servicing the institutions in which the trained people will operate. Long-term budget planning is appropriate in relation to these fields.

Thirdly, expenditure decisions cannot be taken realistically unless the necessary resources are considered at the same time. This seems self-evident, but there is a difficulty in timing because the time-scales of expenditure and taxation decisions are different. Many expenditure decisions are slow to make an impact; taxation decisions are immediate in their impact. The most difficult technical problem is the tendency to underestimate the future cost of Government policies. The thrust is to try to examine long-term effects dealing with the ideas of long-term budgeting. Those three points, Mr President, I believe are extremely relevant.

This point deals with the matter of the Budget aggregates, not only in the next Budget but in Budgets of the future. The ideas behind P.E.S.C. appear so simple that one is tempted to query whether its processes are of any value. We are tempted to follow the flamboyant, so ideas such as 'sunset', 'zero-based', and 'programme budgeting' tend to appeal more strongly to us, particularly at times of electoral emotion, that is, elections. Yet the track record of P.E.S.C. is good. It is still operating and has become an accepted piece of administrative machinery in the U.K. budgeting process. It has, on some occasions, utilised the principles of 'zero-based' and 'programme budgeting' to achieve its purpose, but has used those techniques to a very limited and sparing degree. All independent academic assessment (that I can find) recommends the use of the P.E.S.C. techniques while admitting that the techniques of zero-based and programme budgeting have failed, and failed absolutely. There will always be weaknesses in any system, it does not matter what system we may devise.

**The Hon. C. J. Sumner:** Do you think the Government is wasting time, then?

**The Hon. R. C. DeGARIS:** No, I do not. I will come to that in a moment. There is a use for programme performance budgeting as it has been used in the P.E.S.C. system, but, if one takes the classic programme budgeting formula which has been used throughout Canada and the U.S., it has failed absolutely, but there is no reason why—

**The Hon. C. J. Sumner:** The Hon. Mr Davis would disagree with you. He was talking about what a good idea it was last week.

**The Hon. R. C. DeGARIS:** That may be so. Whether the Hon. Mr Davis was talking about the classic programme performance budget techniques which have been dropped completely, I do not know.

There are techniques in programme performance budgeting that can be utilised with a good deal of effect, and I will touch on that later. There will always be weaknesses in any system devised because of the very nature of politics itself. Public confidence, however, will be achieved if it can be demonstrated that public servants are managing soundly and being held responsible and accountable for performance

and results. These two factors—accountability and performance—appear to be central themes in any new approach to economy, efficiency, and effectiveness of Government management.

Any new system should be capable of: planning and defining the Government's priorities; converting priorities into proposals with clear objectives; allocating the required resources and setting standards and procedures; delegating to managers the authority to implement proposals by the use of human and financial resources; and providing monitoring and appraisal procedures to ensure accountability in an unbroken chain to the Parliament. If these steps are to be implemented, we need to examine carefully the means by which they should be introduced. There is an increasing concern with the fact that Parliament is losing effective control of the public purse. I think it can be said that the Executive, which has absorbed the power that Parliament has forfeited, is also losing control of the public purse. Sufficient to say that management and control in the Government at the present time is inadequate, and only strong action will rectify this serious condition.

Accountability must be the essence of any democratic form of government. Accountability, in theory, should flow from the public service through a Minister to the Parliament and ultimately to the South Australian people. Accountability is the prerequisite for preventing the abuse of delegated or assumed power and for ensuring that power is directed towards achievement and towards accepted goals and objectives, with effectiveness and efficiency. That accountability must eventually be to Parliament. In formulating a compatible management system appropriate to the requirements of Government, such a system must comprise several closely interrelated elements, operating within the framework of our Parliamentary system. The first step in relation to accountability must be to reinforce the capacity of Parliament to fulfil its historic and crucial role of being able to call Ministers collectively and individually to account.

The second step must be an increased capacity on the part of Ministers collectively and individually to hold departments fully accountable for this discharge of their duties. A question that immediately arises now is whether Ministers, being members of the Parliament (as it is presently structured and operated) can be made to be absolutely responsible for efficiency and the administration of their departments. The third step is the establishment of goals and the allocation of relative priorities to them through the allocation of resources.

I think it is reasonable to say that the size and complexity of Government is such that a highly centralised organisation cannot be said to be desirable. Therefore, it becomes necessary, in proper management procedures, to assign to departments the responsibility to meet clearly defined objectives. Such a system requires a substantial delegation of authority, but it also demands the existence of a central group properly equipped to assist Directors and Ministers in the job of clearly defining roles and objectives, to define means of carrying out mandates, to establish common administrative policies, and to ensure sound management. With delegation of authority, accountability becomes a prerequisite for determining how effectively departments have employed funds and manpower.

Proper financial management should be at the centre of every phase of departmental activity. It must form the essential part of the planning process, the budgeting process, the control of subsequent expenditures and the evaluation of efficiency and effectiveness afterwards. This leads inevitably to the question of exacting an accounting for performance, which was referred to in the Treasurer's statement. It may not be practical to provide all the information that is necessary to account for performance in all expenditures, but if any improvement is to be achieved means of performance assessment must be devised.

Central to the realisation of the two objectives mentioned (forecasting revenues and determining expenditure limits, debt ceilings, and so on, and to ensure full value for expenditure) lie the two pivotal proposals of long term planning and accountability for performance. Of these two proposals, I place a strong emphasis on the proposal for the annual submission of a three, five or even a ten year financial plan with the realignment of responsibilities between major Departments so that responsibility for management is brought to a focus.

Canada has adopted a five-year period, as has Great Britain, so I will follow the same recommendation. The five-year plan should be tied to economic projections and should provide a view for the current year and succeeding four years of planned Government expenditures under broad functions and a projection of proposed revenues. It has been argued that, because the State does not know the amounts of money coming to it from the Commonwealth each year, a five-year plan would not be complied with. I reject this on the basis that no Government can be assured of its income on a five-year projection, be it a Commonwealth Government or a State Government. Future Commonwealth reimbursements can be reasonably predicted. The impact of any cuts or improvements in Commonwealth allocations would be readily seen in the five-year projections and the priorities being followed by the Government in applying those cuts or improvements could be clearly seen. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

## ADJOURNMENT

At 6 p.m. the Council adjourned until Wednesday 30 September at 2.15 p.m.