LEGISLATIVE COUNCIL

Wednesday 6 October 1982

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—

Classification of Publications Board—Report, 1981-82.

Legal Services Commission—Report, 1981-82.

QUESTIONS

LEGAL AID

The Hon. C.J. SUMNER: My questions are directed to the Attorney-General, as follows:

1. Is the Attorney-General aware that the previous Labor Government had proposals to extend legal aid services to other areas besides Adelaide and Elizabeth, including the Noarlunga area?

2. Is the Attorney-General aware that the Legal Services Commission has recommended that services be extended to other areas, including the Noarlunga area?

3. Is the Attorney-General aware that the Noarlunga area has been deprived of adequate legal aid services over the past three years, despite the fact that it is one of the rapidly growing areas of Adelaide?

4. In view of the fact that $150 000 was unspent last financial year on legal aid, despite the fact that it was allocated for expenditure in that year, will the Attorney-General take action to ensure that adequate legal aid services are established in the Noarlunga area?

The Hon. K.T. GRIFFIN: I am not aware that the previous Government had any plans to extend the operations of the Legal Services Commission to areas outside Adelaide and Elizabeth by way of regional offices. I know that there were some discussions between the Legal Services Commission and the then Commonwealth Legal Aid Commission in relation to the possible expansion of the operations of the Legal Services Commission.

Since I have been Attorney-General I have said in this Council and in the public arena that this Government does not believe that the bureaucracy of the Legal Services Commission should be expanded by what was then being considered, namely, eight further regional offices, each of which would have cost over $200 000 (at current market price some three years ago) to establish and run in the first year of operation.

According to assessments made, the annual operating cost of those offices thereafter would be in excess of $100 000 per office. As we have seen with many Government operated agencies, there is always a very real temptation (and certainly a trend) to expand services without regard to whether or not those services are being provided in the best and most efficient manner. I have indicated that, wherever possible, the Legal Services Commission should operate in conjunction with local legal practitioners. In fact, although there has been a visiting service provided at Whyalla by the Legal Services Commission, there were discussions between the Law Society, local practitioners and the Legal Services Commission with a view to providing a co-ordinated service at Whyalla.

The same applies to Noarlunga, where there has been a visiting Legal Services Commission service provided for quite some time. I took the initiative to ensure that the Law Society and local practitioners became involved in this matter in conjunction with the local community at Noarlunga. Decisions have been taken with respect to Noarlunga and it is expected that the detail of those decisions will be announced during this week. The arrangements will necessarily involve the local community, the Law Society, and the Legal Services Commission as well as local practitioners. During the Budget Estimates Committees the question of a $150 000 State contribution to the Legal Services Commission was raised and dealt with quite extensively.

The Hon. C.J. Sumner: And most unsatisfactorily from your point of view.

The Hon. K.T. GRIFFIN: I believe that that matter was dealt with most satisfactorily. I am not sure whether or not the Leader has read the transcripts of the Budget Estimates Committees relating to this matter but, if he has not, I commend those transcripts to him. If he has read them, quite obviously he has not understood what I said during the Estimates Committee; namely, that the Budget for the Legal Services Commission from all sources has increased quite dramatically and that, in the current financial year, the total Budget is something more than $5 000 000.

We were fortunate during the last financial year to negotiate with the Commonwealth for it to accept a greater share of the total Budget of the Legal Services Commission. That resulted in something over $100 000 (which would have gone to the Legal Services Commission from State sources) being met by the Commonwealth as part of its responsibility to the Legal Services Commission under its established guidelines. Therefore, the Budget of the Legal Services Commission was not cut. In fact, there has been a significant increase in that Budget over the past four years. The figures relating to this matter were given to the Budget Estimates Committees but, if honourable members are interested in having that information supplied yet again rather than reading it in *Hansard*, I will arrange to have that detail brought before the Council.

DEVONBOROUGH DOWNS

The Hon. B.A. CHATTERTON: Does the Minister of Local Government, representing the Minister of Lands, have an answer to the question I asked on 31 August about the sale of Devonborough Downs station?

The Hon. C.M. HILL: The reply is as follows:

(1) Yes; the Pastoral Board has investigated the situation on Devonborough Downs station on the basis of factual data supplied by the lessees, over the past nine years, rather than on the basis of advertised claims by the real estate industry.

(2) Yes; however, evidence available as specified does not indicate a breach of lease covenants, and thus a notice cannot be issued, nor a prosecution launched or sustained.

ST JOHN AMBULANCE

The Hon. R.J. RITSON: I seek leave to make a brief explanation before asking the Minister representing the Minister of Health a question on the subject of the St John Ambulance Brigade.

Leave granted.

The Hon. R.J. RITSON: Today's *News* on page 11 has an article headed, 'Doctor disputes heart risk claim'. This article contains a refutation by a doctor at the Royal Adelaide Hospital of allegations made in the press recently by one Mr Mick Doyle that our ambulance service was perhaps the worst ambulance service in which to have a cardiac

arrest. It is important to understand the industrial background against which those allegations are made and the fact that the allegations are often false, as this one has been shown to be by the refutation in today's paper.

I referred yesterday to the activities of Mr Roberts, writing in the fire-fighters magazine, in which he is furthering the union push to interfere with the St John Ambulance Brigade. I made the point that the article he had written in the fire-fighters magazine seemed to be very much concerned with the prestige of the so-called paramedics that he proposes to have trained in our State. The question of the level of training of those people who deliver pre-hospital emergency care and the question of how their services should be organised and delivered must be first and foremost a scientifically determined question and not a neurotically determined question. I pointed out yesterday that, if there is any doubt as to the level of Florence Nightingale caring on the part of that man who wrote the article in the *Fire Fighter*, one only has to be reminded that he was dismissed for refusing to attend an emergency call on industrial grounds. It is a matter of urgency that the Minister come to grips with this problem. I would like it to go away and I am sure that the management would like it to go away, but I am sure, also, that Mr Roberts and Mr Doyle will not let it go away.

Will the Minister convene a committee to advise her on this matter? Will she invite Dr Donald Beard, Chairman of the Road Trauma Committee of the Royal Australasian College of Surgeons and Chairman of the Road Safety Council, to chair this advisory committee? Will she include on the committee Dr Brian Ansell, the St John Ambulance Commissioner, and the Directors of Intensive Care at major teaching hospitals? Will she ask the committee to advise her as to the scientifically determinable appropriate level of training for persons delivering pre-hospital emergency care and to advise her as to the best method of delivery of this emergency care? Will the committee be charged with making that determination on scientific and humanitarian grounds, stripped of union pressures?

The Hon. J.C. BURDETT: I will refer those questions to my colleague and bring back her replies.

MOUNT GAMBIER HOSPITAL

The Hon. J.R. CORNWALL: Has the Minister of Community Welfare, representing the Minister of Health, a reply to the question that I asked on 24 August regarding the Mount Gambier Hospital?

The Hon. J.C. BURDETT: The replies are as follows:

1. Yes.

2. Yes.

3. No. The honourable member has inspected the new children's ward at the hospital and would be aware that nearly all the criteria mentioned in the letter from the Australian Association for the Welfare of Children in Hospital have been well catered for by the hospital management. The new ward has bright colours, ample light, play areas, appropriate furniture, playroom, and an outdoor play area for ambulent children that is suitably screened for safety purposes.

The only matter that is not now covered by the relocation is the ground level location, and this has been overcome by staff being available to transport children to the new playground area that has been kindly donated by the Apex Club. The Minister of Health is sure that the honourable member is aware that few children's wards exist on the ground floor in the specialist paediatric hospitals, and that other considerations such as the proximity to other staffed areas for assistance in emergency situations must also be considered.

In relation to the children being alongside the coronary care and intensive care ward, the honourable member, during his inspection of the hospital, would have seen that this is not a problem. The two areas are not only separately staffed but are also separated by a wide corridor and two sets of double doors. The separation is further enhanced by the provision of service rooms, and the patient areas are on opposite sides of the building.

OUTPATIENT FEES

The Hon. J.R. CORNWALL: Has the Minister of Community Welfare, representing the Minister of Health, an answer to a question that I asked on 25 August regarding outpatient fees?

The Hon. J.C. BURDETT: My colleague, the Minister of Health, informs me that the South Australian Health Commission has examined the Victorian Government's proposal to impose a levy on health insurance funds to cover the cost of outpatient services.

The commission did not recommend the introduction of these arrangements in South Australia because of the potential that they will result in greater utilisation of hospital outpatient departments for services more appropriately provided by doctors in general practice in the community. In addition, these proposals are meeting strong resistance from the health insurance funds in Victoria, and their legality may be challenged in court. However, the South Australian Health Commission will monitor the introduction and operation of these arrangements in Victoria.

SEXUALLY REASSIGNED PERSONS

The Hon. BARBARA WIESE: I seek leave to make a brief explanation before asking the Attorney-General a question about sexually reassigned persons.

Leave granted.

The Hon. BARBARA WIESE: The Attorney-General will recall that during the past year or so I have written to him a number of times on behalf of Miss Suzanne James, concerning her legal status as a person who has undergone an operation for sexual reassignment. In his replies, the Attorney advised that this matter has been under consideration by the Standing Committee of Attorneys-General for some time but that as yet no conclusions have been reached by that committee.

This matter has recently become the topic of public interest and I have been unsuccessful, during the past year or so, in obtaining detailed information as to exactly what stage the deliberations of the Attorneys-General has reached. Will the Attorney-General answer the following questions and see whether he can ascertain what is happening? First, will the Attorney-General outline clearly the issues that have been considered by the Standing Committee of Attorneys-General in relation to this matter and also the issues that it finds most difficult to resolve? Secondly, will the Attorney-General advise whether or not it is true that some State Governments, in particular New South Wales, have decided to take separate action on this matter in the absence of any leadership or agreement by the Commonwealth Government?

The Hon. K.T. GRIFFIN: The New South Wales Government always says that it will take action because it is not satisfied with the progress that is being made by the Standing Committee of Attorneys-General. I referred, a fortnight ago, to the question of artificial insemination by donor and *in vitro* fertilisation. Although the New South Wales Government said that it was dissatisfied with progress and that it would act regardless of what was happening at the

standing committee level, I remind the Council that the New South Wales Parliamentary Counsel was given the job of providing the draft legislation. It is all very well for New South Wales to get uptight about the delay, but in this instance the delay was caused by the New South Wales Government itself.

The Hon. Barbara Wiese interjecting:

The Hon. K.T. GRIFFIN: I am putting it in its proper context. It is all very well for New South Wales to threaten to go its own way, but in fact it is very much to blame in a number of instances because it is not getting on with the job itself. The matter of sexual reassignment went to the standing committee in 1979. In July 1980 the committee had before it a detailed paper identifying all the issues involved in sexual reassignment. Those issues involved not only legal but also medical and ethical questions.

A further detailed paper was considered in November 1980 and, because of the medical and ethical considerations, it was referred to the Australian and New Zealand committee on transexualism, a committee that was formed in 1979 by members of the medical and paramedical professions who had extensive experience in dealing with problems of transexuals, to regularise and advise on sexual reassignment practice.

In July 1982 the Standing Committee of Attorneys-General agreed that a final paper should be prepared that would identify specifically the areas of law that would need to be changed and the options for change. I hope that that report will be available before the end of the year so that the standing committee can reach some consensus on the drafting of uniform legislation because, in this area, as with artificial insemination by donor and *in vitro* fertilisation, the standing committee recognises that it is desirable, if at all possible, to have uniform legislation applying across Australia.

It has implications for the States as well as the Commonwealth. The Commonwealth would be involved with respect to the question of passports and marriage, and the States would be involved with respect to the registration of births, and so on. The matter is progressing, and I hope that by the end of this year we will be in a better position to identify initiatives for uniform legislation.

The Hon. BARBARA WIESE: I desire to ask a supplementary question. Will the Attorney consider taking action to change appropriate laws in South Australia if the Commonwealth Government continues to resist making appropriate changes at the Federal level?

The Hon. K.T. GRIFFIN: I am not sure that the Commonwealth is resisting changes at its level. The Commonwealth Attorney-General is a member of the standing committee and, as far as I know, his officers are participating with officers of the State Attorneys-General to define the issue and identify the options for uniform legislation. It is premature to take action until the standing committee has considered those options and reached a conclusion on what changes ought to take place with a view to achieving uniformity. I do not know of the Commonwealth creating any difficulties in that context.

PIGGERIES

The Hon. C.W. CREEDON: Has the Minister of Community Welfare, representing the Minister of Agriculture, a reply to my question of 22 July about piggeries?

The Hon. J.C. BURDETT: The District Council of Light has received and considered an application from the South Australian Bacon Company Pty Ltd to establish a 100-sow piggery near the township of Gawler. The council, having considered all issues and representations relevant to the proposal, decided at its August meeting to refuse the application. The applicant had, however, advised the council prior to receiving notice of council's decision that it no longer wished to proceed with the proposal and withdrew the application.

In a wider context, decisions on the establishment of piggeries or other intensive animal keeping operations are normally the responsibility of the local council. Councils are required to have regard to policies in authorised development plans in reaching a decision. No action is proposed to erode the right and responsibility of councils to decide on these matters.

PARLIAMENT HOUSE SECURITY

The Hon. N.K. FOSTER: I seek leave to make a short statement before asking you, Mr President, a question about a statement made by the Speaker in another place yesterday.

Leave granted.

The Hon. N.K. FOSTER: I refer to yesterday's *Hansard* and a statement by the Speaker of the House of Assembly in relation to Parliament House security (that should be in inverted commas), as follows:

> Members have rightly asked why positive action hasn't been taken to redress deficiencies of this nature. The answer is simple and regrettable. It is because a number of people, members and staff, have given less than necessary commitment to protect the institution of Parliament and actively to participate in measures which are accepted in every other Parliament in Australia and in many overseas.

I will not prolong my question with any further references to *Hansard*. I asked one or two questions about this matter yesterday, and I await replies thereto.

I am horrified at the Speaker's statement. The allegations made by the Speaker are quite false in relation to Parliamentary staff, who are not in a position to defend themselves as persons or as members of the Parliamentary staff, as are members of Parliament. I grieve for them because of that. In any other Parliament in the Commonwealth it is obvious that the person most responsible for the well-being and behaviour of members should not have remained in the House on the day of the incident referred to by the Speaker: rather, he should have called an immediate and positive inquiry. It was quite obvious, even to the most casual observer, that something was very wrong that particular afternoon.

I do not necessarily agree, and I do not believe that any other Parliament in the Commonwealth would agree, with what the Speaker said in relation to comments by Rear Admiral A.H.C. Gordon Lennox, Sergeant-at-Arms, in the House of Commons back in 1970. It is quite clear that there is a division of authority in the South Australian Parliament. In fact, not only is there a clear division of authority in this Parliament, there is also a division of authority in the Senate and the Federal Parliament. I do not accept what the Speaker said yesterday. If the facts relating to the incident referred to by the Speaker are to be glossed over (and I hate using that term), it should not be at the expense of the Parliamentary staff.

Will you, Mr President, urgently request the Speaker of the House of Assembly for an absolute clarification of paragraph 3 of the statement that he made yesterday? Further, will you, Sir, request an open inquiry (it is for the Presiding Officers of both Houses to decide whether it should be held in camera) to ascertain the identities of the members of Parliament and the members of the staff referred to in the statement made by the Speaker yesterday?

The PRESIDENT: I will have to study the honourable member's question, because the matter of security is very sensitive and is under continual discussion between the Speaker and myself. I will look at the honourable member's

question before I say 'Yes' or 'No'. I can ask the Speaker whether he wishes to make a further announcement, but I cannot demand an answer from him in relation to how he conducts security arrangements for the House of Assembly.

The Hon. N.K. Foster: It is a question not of security but of behaviour. There is a difference.

The PRESIDENT: I will look at the honourable member's question and, if I can fulfil his request, I will certainly do so.

ENFIELD COUNCIL

The Hon. FRANK BLEVINS: I seek leave to make a brief explanation before asking the Minister of Local Government a question about the Enfield council.

Leave granted.

The Hon. FRANK BLEVINS: I refer to a very brief news item which appeared in the *Advertiser* of 23 September under the heading 'Enquiry to go ahead', as follows:

The Minister of Local Government, Mr Hill, will investigate the resignation of a member of the Enfield council. Mr Hill said yesterday the resignation of Mrs J.M. Jensen had been referred to him and he would inquire into the matter.

At a council meeting on Monday, the mayor of Enfield, Mr R.D. Amer, refused to accept a motion calling for the resignation to be referred to Mr Hill. It is believed the resignation was referred to Mr Hill privately.

Has the Minister commenced the inquiry into allegations in relation to the Enfield council mentioned in the *Advertiser* of 23 September 1982? If so, when does the Minister anticipate that the inquiry will be completed? Also, will the results of the inquiry be made public?

The Hon. C.M. HILL: The *Advertiser* article was somewhat misleading. I did not inform the *Advertiser* that I had commenced an inquiry. I said that I was making some inquiries in regard to the matter. No specific inquiry has been put in train by me or by my department in regard to this matter. I cannot give the honourable member any further information about this matter at the moment, because the court has granted an injunction in relation to it. In due course, I will be prepared, if possible, to bring down further information for the honourable member.

CARCINOGENS

The Hon. ANNE LEVY: Has the Minister of Community Welfare, representing the Minister of Health, the reply to a question that I asked on 19 August about carcinogens?

The Hon. J.C. BURDETT: In June 1980, the Occupational Safety and Health Agency (OSHA) in the United States published a list of about 500 carcinogenic chemicals prepared by Clements Agencies under contract. The list was divided into two categories, 'confirmed' and 'suspected' carcinogens. In the introductory pages of that publication, it is indicated that OSHA would be progressively examining the listed chemicals in some detail. It was proposed that twice each year a list of 10 chemicals in each of two categories, priority I and priority II, would be published with the view that some unspecified action be taken 'against' those chemicals so listed. If this has been carried through, some 80 chemicals would have been considered by now.

There is also speculation in the introduction to the listing of the 500 chemicals that the categorised substances would total about 170. The document to which I refer is the 'OSHA Generic Carcinogen Regulation Proposed List of Suspected Carcinogens', Health Industry Manufacturers Association Document No. 9, Volume 2, prepared by James F. Jorkasky. This document is subject to copyright but may be borrowed from the National Biological Standards Laboratory in Canberra.

O'BAHN BUSWAY

The Hon. N.K. FOSTER: Has the Attorney-General, representing the Minister of Transport, an answer to the question that I asked on 24 August about the O'Bahn busway?

The Hon. K.T. GRIFFIN: The State Transport Authority Act, 1974-1981, states that the authority may determine *(a)* the routes along which public transport services are to be provided; and *(b)* the places at which stations, stops, or other points of embarkation or disembarkation of passengers or goods, are to be established.

The Act further states that the authority shall give notice in writing to the relevant road maintenance authority at least one month before commencing to use a public street or road on a regular basis. In addition, in relation to part *(b)* above, the authority shall consult with the relevant road maintenance authority and shall take into account the views of that authority.

In relation to the provision of off-street terminal facilities in the city, the provisions of the City of Adelaide Development Control Act, 1976-1978, and the principles of development control contained in the City of Adelaide Plan, would be taken into account. While this Act does not bind the Crown, it is Government policy to act in accordance with the principles of development control and consult with the Corporation of the City of Adelaide and the City of Adelaide Planning Commission. In summary, the Government has the power to implement its policy concerning transport routes and terminals in the City of Adelaide. Consultation is, however, required in the development of those routes and terminals.

INTERPRETERS AND TRANSLATORS

The Hon. M.S. FELEPPA: I seek leave to make a brief explanation before directing a question to the Minister Assisting the Premier in Ethnic Affairs, who also represents the Minister of Education, about interpreter and translator courses.

Leave granted.

The Hon. M.S. FELEPPA: Yesterday, when asking a question on this subject, I omitted an important sentence, because my original question was too long. I therefore asked a subsequent question on the same subject. The Minister was not specific about some points when he answered my question, so I wish to raise this matter again, hoping that I will not bore honourable members in this place by doing so. First, I draw the Minister's attention to the fourth part of my question yesterday, as follows:

Fourthly, will the Minister Assisting the Premier in Ethnic Affairs tell this Council what the outcome was of letters sent by the Chairman of the South Australian Ethnic Affairs Commission to the Principal of the South Australian College of Advanced Education?

The Minister replied:

I know, too, that the Ethnic Affairs Commission, as the Hon. Mr Feleppa stated a few moments ago, is concerned, and communication has been taking place between the commission and Dr Ramsey on this subject.

Secondly, does the Minister of Ethnic Affairs know that schedule 1 of the Commonwealth Human Rights Commission Act, 1982, incorporates the International Covenant on Civil and Political Rights? Article 14 (3) *(f)* of the schedule states:

To have the free assistance of an interpreter if he cannot understand or speak the language used in court.

Article 19, (2) states:

> Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of his choice.

Thirdly, does the Minister agree that these guarantees of civil rights will never be fully realised by Australian residents in South Australia if fully professional interpreters and translators are not trained and these services made available?

Finally, will the Minister of Education explain to this Council (given that he can act under article, 14 (2) but seems to want to avoid the whole issue) why he has failed to ascertain the exact nature of the spending priorities at the college when these clearly seek to affect the rights of students to continue courses at the college under the provisions of section 5 *(a)* of the Act? As this college has money to spend on advertising courses (four full pages of advertisements that appeared in the press last weekend must have cost approximately $15 000) and on refurbishing executive offices at the college (because at least $100 000 was spent in 1981-82 refurbishing the Principal's office, which, I am told, is lined in steel-blue suede), why does it not have money to employ contract lecturers for the courses that are under threat?

The Hon. C.M. HILL: Once again, I must refer these questions to the Minister of Education in another place.

The Hon. C.J. Sumner: You're not making much progress on this one, Murray.

The Hon. C.M. HILL: I think that we must be fair and give the Minister of Education reasonable time to answer questions.

The Hon. C.J. Sumner: Reasonable time?

The Hon. C.M. HILL: The previous question was asked yesterday, when I said that it would be referred to the Minister of Education. It is being so referred, and I will endeavour to obtain a reply. In fact, I instructed my staff only this morning that a special effort was required to hasten a reply to the question on this subject asked yesterday by the Hon. Mr Feleppa, because I appreciate his great concern and know that the sooner he gets a reply, hopefully, the happier he will be.

I refer to the allocation of money for courses. The fact that colleges of advanced education are receiving less money than they received previously from the Commonwealth Government and re-arrangements must therefore be made in courses, and that some contract interpreters may have to be asked to terminate their contracts (I am talking about tutors and teachers) and may not be re-employed are matters about which I am endeavouring to ascertain information from the Minister of Education. I say again that I will get these replies for the honourable member as soon as I can.

I turn now to the need for adequate interpreting services in this State. I can only repeat what I said yesterday, namely, that we are increasing the allocation from State funds. The Government has acknowledged that in this financial year there is a need for more money to be spent in the retention or employment of interpreters and translators to serve the ethnic community well. That is our target, and that is what we intend to do.

The Hon. M.S. FELEPPA: I rise on a point of order, Mr President. I appreciate that the Minister is trying to elaborate on what he said yesterday. However, I asked today what was the outcome of meetings between the South Australian Ethnic Affairs Commission and the Principal of the college.

The PRESIDENT: Order! I point out to honourable members that I have no jurisdiction over how Ministers answer honourable members' questions. If the honourable member is dissatisfied with the Minister's reply, I suggest that he ask a supplementary question.

The Hon. C.M. HILL: I intended to come to that question, but I admittedly started with the last question and answered that first. I was working back.

The Hon. Anne Levy: Were you trying to beat your own 20-minute record?

The Hon. C.M. HILL: The honourable member should sort out her own problem as to whether her colleagues give her a chance to ask questions. I was coming to the question of Mr Krumins' communication, to which I referred yesterday. I did not quite get to that because the honourable member had asked another question as to the need for adequate staff to be trained as interpreters for services to this State, I agree with him that it would be a great pity if there were a reduction in classes for the training of interpreters and translators. I have not any proof at the moment that that is so. I know that there are some quite understandable fears in the minds of staff and students, as we witnessed last week.

The Hon. M.S. Feleppa: You did not turn up.

The Hon. C.M. HILL: I was told at 4.40 the evening before that they would like me to speak to their protest meeting at 1 p.m. the next day. I had an appointment in here with five other people, as it happened, arranged about four weeks previously for 1 p.m., and I am afraid that it is not always possible to drop everything when students demand that a member speak to them on the steps of Parliament House. In any case, it was not a matter that came within my administration: it was a matter about which they should have been talking to the Minister of Education.

The Hon. M.S. Feleppa: You were invited, but you did not even reply.

The Hon. C.M. HILL: How could I reply when a letter crossed my desk at 4.40 p.m.?

The Hon. M.S. Feleppa: What about your secretary?

The Hon. C.M. HILL: I can assure the honourable member that I did not mean any discourtesy by not replying. At the same time, I was rather surprised at the shortness of time in the request. However, that is now history. It will be a shame if the training facilities are reduced as a result of the reduction in the Commonwealth Government's funding for education at that tertiary level in the future.

Now, I come to the honourable member's first question, which dealt with the communication between Mr Krumins, the Chairman of the Ethnic Affairs Commission, and Dr Ramsey, the Principal of the South Australian College of Advanced Education. I will have to obtain the full details of this mattter from the Chairman. I know that on 3 September Mr Krumins wrote to Dr Ramsey, seeking an appointment to discuss all the matters that worry the Hon. Mr Feleppa and, indeed, that worry me and, I know, Mr Krumins and the Ethnic Affairs Commission. To the best of my knowlege, a meeting has been held, but I will ask Mr Krumins to bring me right up to date on that so that I can bring to the Council the latest situation on their communications as soon as possible.

LANDS DEPARTMENT FILES

The Hon. N.K. FOSTER: Has the Minister of Local Government an answer to a question I asked on 14 September about Lands Department files?

The Hon. C.M. HILL: The answers to the honourable member's four questions are as follows:

1. It is anticipated that the Director-General of Lands will endeavour to consult with the 'Extra team'. I might say, by way of explanation, that the 'Extra team' is a group of *Advertiser* journalists.

2. The Minister is aware that some of the views expressed in the article are held by other bodies.

3. It is anticipated that the Director-General of Lands will consult with the groups referred to.

4. Yes.

Mr AINSWORTH

The Hon. C.J. SUMNER: My questions are directed to the Leader of the Government in the Council, as follows:

1. Is he aware that Mr Ainsworth, Senior Economist with the A.N.Z. banking group in Adelaide, began work for the Premier's Department several weeks ago?

2. Will the Leader explain the terms of Mr Ainsworth's engagement, his functions and his role and, in particular, whether Mr Ainsworth was engaged by the Public Service Board or whether the Public Service Board was consulted in relation to the appointment or, further, whether Mr Ainsworth is engaged on the Premier's personal staff?

3. Is Mr Ainsworth directly involved in giving economic advice to the Premier and presently working on election policy material with the Premier's own staff in the Premier's office?

The Hon. K.T. GRIFFIN: The answer to the first question is 'Yes'. I will refer questions 2. and 3. to the Premier.

IRAQI PROJECT

The Hon. B.A. CHATTERTON: Has the Minister of Community Welfare a reply to a question I asked on 24 August about the Iraqi project?

The Hon. J.C. BURDETT: Depending on the attributes of the successful applicant, remuneration will comprise a salary of approximately $A19 200 per annum and allowances of $A9 200 per annum pro rata. An identical salary would be offered to a departmental officer for a similar assignment.

The Hon. B.A. CHATTERTON: Has the Minister of Community Welfare a reply to further questions I asked on 26 August about the Iraqi project?

The Hon. J.C. BURDETT: The replies are as follows:

1. No final result has yet been determined as all responses to the concepts discussed have not been received.

2. This depends on the final outcome of the discussions.

3. No formal request has been received from the Iraqi Government. Our attitude would depend, in part, on the views of the bodies consulted.

DEPARTMENT OF AGRICULTURE

The Hon. B.A. CHATTERTON: Has the Minister of Community Welfare a reply to a question I asked on 26 August about the Department of Agriculture?

The Hon. J.C. BURDETT: The corporate plan for the Department of Agriculture is in the final stages of production. Copies will be made available to interested groups and individuals, including members of Parliament.

SUPERMARKETS

The Hon. B. A. CHATTERTON: Has the Minister of Community Welfare a reply to the question I asked on 26 August about supermarkets?

The Hon. J.C. BURDETT: There are a number of different types of marketing agreements between supermarket chains and food suppliers/processors, of which the one described by the honourable nmember is but one. Although this particular type of agreement is adopted as a matter of policy by at least one major supermarket chain, it is not correct to say that it is common practice within supermarket chains as an industry.

If a supplier/processor wishes to market its product through a particular supermarket chain then that supplier/processor will have to enter into a marketing agreement with the chain. The terms of the agreement are negotiable and will depend, amongst other things, upon the bargaining power of the supplier/processor and the marketability of the product.

If the supplier/processor does not like the terms imposed by one supermarket chain, it is always free to approach one of the other chains whose terms in the marketing agreement may be more satisfactory to the supplier/processor's needs. It does not seem appropriate that the Government should consider intervening in what are essentially contractual arrangements between commercial enterprises, unless it is shown that one of the parties is exercising anti-competitive market power. In the current supermarket industry there does not appear to be any one supermarket chain in such a position.

MEAT HYGIENE AUTHORITY

The Hon. B.A. CHATTERTON: Has the Minister of Community Welfare a reply to the question I asked on 2 March about the Meat Hygiene Authority?

The Hon. J.C. BURDETT: In response to the honourable member's question, my colleague, the Minister of Agriculture, has advised me that the letter from the Local Government Association to Dr Davidson, Chairman of the South Australian Meat Hygiene Authority, raises a number of matters of concern to the association. These matters are currently under discussion with the Local Government Association with a view to the drafting of a suitable amending Bill to provide a clearer definition of the role and responsibilities of local government in the regulation of slaughterhouses. The assurances given to the Local Government Association when the Meat Hygiene Act was before Parliament in early 1980 are contained in *Hansard* for Wednesday 2 April 1980, wherein amendments permitting the appointment of local government officers as inspectors under the Act were accepted.

PLANT QUARANTINE OFFICERS

The Hon. B.A. CHATTERTON: Has the Minister of Community Welfare an answer to a question I asked on 18 August in regard to plant quarantine officers?

The Hon. J.C. BURDETT: The replies are as follows:

1. The Department of Agriculture's effort in the area of plant quarantine has reduced to a degree in the field of interstate plant quarantine, as a consequence of changes in the need for this activity. Australian plant quarantine, operated in this State for the Commonwealth Government by the Department of Agriculture, has not been reduced. The horticultural inspection service operates as an integrated service for plant exports (excluding grain) and plant imports (quarantine). In the four years 1978-79 to 1981-82 the net run-down in this service has been three people, rather than eight, as suggested.

2. Adequate funds have been made available by the Commonwealth to pay the costs of employing inspectors to carry out inspection duties performed on behalf of the Commonwealth.

3. The State has carried out all the inspection duties required by the Commonwealth under this arrangement.

ROXBY DOWNS

The Hon. C.J. SUMNER: Has the Attorney-General an answer to a question I asked on 28 July in regard to Roxby Downs?

The Hon. K.T. GRIFFIN: From information provided to me by Roxby Management Services, the number of persons directly employed at Roxby Downs has fluctuated between 220 and 270 in the period 5 January to August 1982. This variation is based in part on:

1. The number of contractors and employees required at Olympic Dam at any given time based on work programme.
2. The number of Adelaide based staff operating in the area.
3. The amount of ancillary exploration being carried out elsewhere on the Stuart Shelf.

The total number of persons employed on the project is a better indicator of activity than of persons present onsite at any one time.

SMALL LOTTERIES

The Hon. FRANK BLEVINS: Has the Attorney-General an answer to a question I asked on 24 August in regard to small lotteries?

The Hon. K.T. GRIFFIN: Regulations have been made under the Lottery and Gaming Act, 1936-1982, to exempt charitable organisations which have been granted licences under the Collections for Charitable Purposes Act, 1939-1947, from the payment of the whole of all licence fees payable in respect to lotteries concucted by such organisations. These regulations were published in the *Government Gazette* dated 2 September 1982, and came into effect as from 1 October 1982.

Because licence fees are payable within one month of the drawing of a lottery, all lotteries drawn on or after 1 September 1982 will be exempted from the payment of lottery fees payable in respect of such lotteries where charitable organisations hold licences under the Collections for Charitable Purposes Act. There is no provision for the granting of any retrospectivity in this matter.

Charitable organisations will still be required to hold licences, notwithstanding that they will be exempted from the prescribed lottery fees. They will be required to pay the prescribed application fees for the issue or renewal of such licences. These fees are nominal and offset some of the administrative cost associated with the granting of licences. Also charitable organisations will be required to meet all other conditions prescribed by the regulations with respect to lottery licences. The Heartbeat Organisation will, in terms of the new regulations, be exempted from licence fees for any lottery conducted and drawn on or after 1 September 1982.

TRAFFIC LIGHTS

The Hon. ANNE LEVY: Has the Attorney-General an answer to a question I asked on 17 August regarding traffic lights?

The Hon. K.T. GRIFFIN: Telecom Australia advised that, for technical reasons, reverse metering (that is, calls made by the public at departmental cost) cannot be provided using the present telephone number 260 0400. If a separate line were to be used, Telecom Australia advised that reverse metering would be possible but, as a matter of policy, Telecom Australia no longer provides a service of this nature. Consequently, any arrangement with Telecom Australia for free telephone calls by members of the public reporting traffic signal faults is not possible. Members of the public made 172 such calls during June 1982, representing 16 per cent of the traffic signal faults reported to the Highways Department.

ACCESS FACILITIES

The Hon. ANNE LEVY: Has the Attorney-General an answer to a question I asked on 19 August in relation to access facilities?

The Hon. K.T. GRIFFIN: The project being supported by the Domestic Violence Committee relating to the provision of facilities for access handover of children from custodial to non-custodial parents has not yet been completed. No report has yet been made on this matter. Negotiations are continuing and a final decision on a possible facility is expected in a few months time.

SELECT COMMITTEE ON STANDING LEGISLATIVE COMMITTEES

Adjourned debate on motion of Hon. R. C. DeGaris:

That a Select Committee be appointed to inquire into and report on the establishment of Standing Legislative Committees of the Legislative Council, similar to the Committees operating in the Commonwealth Senate.

(Continued from 15 September. Page 1062.)

The Hon. C.J. SUMNER (Leader of the Opposition): The motion moved by the Hon. Mr DeGaris asks the Council to establish a select committee to inquire into and report on the desirability of the establishment in this Council of standing committees similar to the committees which operate in the Commonwealth Senate. In Parliaments throughout Australia, and probably throughout the world in recent times, there has been increased emphasis on the work which can be done by Parliamentarians through the committee system, that is, either by way of standing committees or select committees.

The initial standing committees in the Commonwealth Senate were established before 1972 at the instigation of the then Leader of the Opposition in the Senate (Senator Murphy). Since that time the Senate standing committees have expanded their operations, and it would be conceded by all sides of politics that they play an important role in ensuring that there is some scrutiny by politicians and the Legislature of executive activity and also that there is some involvement at a detailed level by politicians in many of the issues which confront the community and the nation.

So, there has been acceptance of the desirability of such standing committees in the Commonwealth Parliament and, I believe, a general acceptance of their worth throughout most of the Parliaments in Australia and, indeed, overseas.

The committee system which operates through the American Congress, both in the Senate and in the House of Representatives, is well known to all honourable members and has been functioning for a considerable time. It provides the Legislature in that country with the capacity to inquire into actions of the President and his Administration, and into other matters of public importance. Many committees, particularly in the United States Senate, have assumed considerable importance.

It is in the light of that history and the increasing acceptance of the use of these committees in the Parliamentary system that this motion should be viewed. I should say that Labor policy in this area contains a commitment to the

general reform of Parliament. The motion for legislative standing committees in this Council is but one aspect of the reform of Parliament. I would like to summarise briefly some of the matters which the Labor Party believes should be looked at in reforming the operations of Parliament. While they are not all strictly related to this motion of the Hon. Mr DeGaris, once I have read them the Council will see that many of them are interrelated and should be the subject of review or consideration by Parliament at some time in the near future. The summary of proposals advanced by the Labor Party is as follows:

1. The House of Assembly to be elected for a fixed term of three years on a specified date, except where the Government loses a vote of no confidence in the House of Assembly and no alternative Government can be formed within seven days.
2. The Legislative Council should not have the power to block Supply thereby causing an early election and should only have delaying powers on other legislation.
3. Elections for the House of Assembly and half the Legislative Council should be simultaneous and the minimum fixed term of six years for Legislative Councillors abolished.
4. The expansion and development of the committee system.
5. The rostering of Ministers in both Houses at Question Time.
6. A prescribed minimum number of sitting days each year.
7. Adequate and more streamlined machinery for the initiation and consideration of non-government legislation in both Houses.
8. Freedom of information legislation and a system of green (proposals for discussion) and white (Government policy) papers to enhance public information, awareness and discussion.
9. Mechanisms for citizen review of administrative decisions including the obligation to provide reasons for administrative acts while maintaining the principle of Government and not judicial responsibility for policy.

Those last two proposals clearly are not within the purview of this debate, but they are advanced so that honourable members can see the whole of the Labor Party proposal in context. The last two proposals really affirm the importance in a democratic community of adequate information being available to citizens to enable them to make decisions on matters of public importance and to obtain, in the case of their individual relationships with Government, reasons for the administrative acts which are carried out by members of the Government.

They deal with the problem of the provision of adequate information to enable the public to make proper decisions on the competing ideas which exist within the democratic community. Standing committees could also assist in this. Other proposals that are contained in that list seek to enhance the capacity of Parliamentarians to play their role in the community, to review Executive activity and to participate in decisions on important issues which confront the community and Parliament from time to time.

The proposal which I have affirmed, the expansion and development of the committee system, falls within that category. I should say that, in addition to the specific items to which I have referred, I support the notion of a separate Appropriation Bill for Parliament, so that Parliament as a whole can determine its own appropriations separately from Executive control. As the Council will see, the proposals that I have put forward are fairly comprehensive and cover a number of areas.

I would like to draw the Council's attention to the proposal dealing with the powers of this Council. It is those powers and reform of those powers that we believe are fundamental to a reform of the Parliamentary system in this State, and to a reform of the procedures of the Legislative Council in this State. To us, a reduction in the powers on the Council, particularly over Supply, is fundamental to any reform which should be carried out.

The events of 1975 in Canberra colour any discussions on the power of an Upper House to block Supply. The events of that year resulted in the dismissal of a Government which had a majority in the Lower House and which should have been able to govern for another 12 months, that is, until the end of its term the following year. Honourable members should consider the notion of a reduction in the power of this Upper House to some extent independently of the events of 1975, because strong and powerful arguments can be made in terms of good government in this State for the Legislative Council not to have a veto power over Supply, and thereby have the power to force a Government from office even though that Government still has the confidence of the Lower House.

Although the events of 1975 will colour our attitudes to the Legislative Council's having power to block Supply, I believe that the issue should be decided on its merits, that is, should the Council have co-equal power or is good government better served in this community by imposing some restriction on the powers of this Upper House? I believe firmly that good government is not enhanced in our community by an Upper House having the power to block Supply. I would divide the argument into three areas in regard to the restrictions of power of the Legislative Council.

First, should a Legislative Council have power to block Supply or the appropriation of moneys for the ordinary services of government? In other words, should a Legislative Council be able to deny a Government formed in a Lower House the money with which to keep itself going, thereby forcing an early election? I believe the categoric answer to that question is 'No'. The second category of the argument is whether a Legislative Council should have the power to block other money Bills, that is, tax measures or appropriation Bills for purposes other than the ordinary services of Government. The third category is whether or not an Upper House should have power to block other Bills, that is, Bills other than money Bills, or whether it should have power to delay those other Bills.

I firmly believe that a Legislative Council should not have the power to deny a Government formed in a Lower House the appropriation of money for the ordinary services of government. I think that is quite improper. In relation to other money Bills, I believe that there should be a delaying power of only one month. In relation to general Bills, an Upper House should have a delaying power of 12 months.

I have raised the question of Upper House powers, because I believe that addressing this issue and making decisions on it is fundamental to any broad reform of Parliament and, in particular, any broad reform of the Legislative Council. This issue is being considered in other Australian Parliaments at the present time. It was suggested in Victoria recently that the Government and Opposition Parties in that State had reached agreement that the Upper House in Victoria should not have the power to block Supply. Apparently, discussions are being conducted in Victoria between the major Parties in relation to certain constitutional issues, with a view to holding a constitutional convention in that State next year. A report in the *Age* of 14 September indicates that the issue of the powers of an Upper House in relation to Supply is one of four issues on which Party Leaders believe agreement could be reached.

The Hon. K.T. Griffin: It didn't say that they had reached agreement.

The Hon. C.J. SUMNER: No, it did not say that they had reached agreement. I did not say that they had reached agreement; I said that this matter was under consideration in other Australian Parliaments. I believe that it is under active consideration in Victoria. I said that this is one area where agreement may be reached between the major Parties in Victoria. The issues were described as follows:

The powers of the Legislative Council. The Government's policy is to remove the Council's power over all money Bills and to reduce its power to delay others. The Government also wants all

Government Bills to originate in the Assembly, the Council to have committees with wide powers, all Ministers to be members of the Assembly and to increase the meeting times of the Council.

That is a whole range of proposals in relation to the reform of the Upper House in Victoria. Those proposals are being considered in Victoria at the moment. If that newspaper report is correct, the major Parties in Victoria could reach agreement on the question of whether the Upper House in that State should have the power to block Supply.

I refer to the report of a royal commission held in Tasmania; that report was published on 31 May 1982. Mr Beaumont, Q.C., was Chairman and Professor Zines and the Hon. Charles Fenton were members. The power of an Upper House was addressed in that report. The commission recommended that an appropriation or Supply Bill confined to the ordinary services of government should be subject to royal assent if not passed by a Legislative Council within six weeks of its transmission to that Chamber. In other words, the royal commission recommended that an Upper House should have only a limited delaying power in relation to Bills appropriating money for the ordinary services of government. The royal commission also recommended that, in relation to other deadlocks between the Houses, there should be a referendum procedure introduced into the Tasmanian Constitution. To make the record completely clear, I point out that one member of the commission, Mr Fenton, dissented from the recommendation that the Legislative Council should lose the power to amend or reject any resolution or Bill and that a suspensive veto for a limited period be substituted for the power of rejection. It could be that Mr Fenton did not agree with the royal commission's recommendation in relation to Supply. Nevertheless, the majority recommendation was that an Upper House should not have the capacity to block Supply.

I refer honourable members to a paper that I presented to the fourth annual workshop of the Australasian Study of Parliament Group in Perth in August this year in which I discussed the role of an Upper House and set out certain proposals for reform. In relation to reform of the Legislative Council I referred to the reduction in the power to block Supply and defeat other legislation, as follows:

Fundamental to any proposal for reform is a reduction in the power of the Legislative Council to reject Government legislation. It is proposed that its powers be limited to those of the House of Lords. There is no particular magic in the House of Lords formula, although I think it is the upper limit of the Council's powers. Dean Jaensch, Senior Lecturer in Politics at Flinders University, at the South Australian Constitutional Convention held in Adelaide in November last year, suggested a suspensive power of six months on general legislation and no power to delay the normal progress of a Budget or Supply Bill. In New South Wales there is no provision to permanently block an Appropriation Bill and there is a procedure to resolve other conflicts by joint sittings and ultimately referendum.

It is said that you cannot equate the power of an elected Chamber with an hereditary and appointed one and that therefore the existing powers should remain. However, the question of whether the Chamber is elected or nominated is not in my view relevant to the argument that its powers should be reduced. While I don't believe this applies in Australia it may be that in some federal systems an Upper House should have co-equal powers, particularly if it means the Federation would not survive without it. But in a unitary system such as South Australia, the Upper House should not be the House that can make and unmake Governments or unreasonably frustrate its legislative programme. Our tradition is that Governments are formed in the Lower House and this should be affirmed by withdrawal of the Upper House's capacity to destroy Governments. While an Upper House can hold the Government in the House of Assembly to ransom there will be no incentive for co-operation and consensus and getting the best legislation.

Party political confrontation will remain paramount. In a less confrontationist atmosphere its capacity to scrutinise Executive activity and make constructive suggestions would be enhanced. In the Address in Reply Debate in July 1981, I said:

> I believe that restricting the power of the Upper House, in this case the Legislative Council, would improve its capacity for review. It would improve its capacity for getting a consensus and obtaining an improvement to legislation. It would take the Council out of the direct Party-political arena. The Government would not feel threatened, because it would know that in the end its legislative programme could be achieved . . . Further, I believe that an Upper House should not be able to frustrate indefinitely the most recent expression of electors views which are expressed through the Government in another place. Therefore, I believe that an Upper House should only have delaying powers.

In 1975, during the Senate Supply crisis in Canberra, the Legislative Council passed resolutions dealing with denial of Supply and related matters. On 16 October 1975 the Parliament deplored and condemned the actions of certain Senators in announcing that they would refuse Supply, indicated that in the history of South Australia the Upper House had never entertained a motion to refuse Supply and affirmed that a Government had a right to continue to govern for the period for which it was elected to govern.

On 12 November 1975 the Legislative Council drew the attention of the Governor to the following constitutional principle (among others dealing with the crisis):

> The Lower House of Parliament grants Supply. The Upper House may scrutinise and suggest amendments to many Bills but should not frustrate the elected Government by refusing or deferring Supply.

Both motions were passed by votes of 11 to seven, with the two Liberal Movement members, Martin Cameron and John Carnie, joining the Labor members in support. The reduction in the powers to block Supply also fits in with another highly desirable proposal—fixed terms for the Parliament.

Reduced powers would also overcome the situation which now occurs in South Australia where one lone Australian Democrat [who may have been elected before the Government that has been most recently elected] has the balance of power and is able to determine the fate of the Government's legislative programme.

The Hon. L.H. Davis: And the fate of the Labor Party's opposition.

The Hon. C.J. SUMNER: That is true. I believe that that statement summarises the argument for reduction of power. I also dealt in that paper with the question of an expanded committee system as follows:

It is now recognised that much of the constructive work of Parliament can be done through an improved committee system. This has been the experience in the Federal Senate. There are three broad categories of issues with which standing or select committees may be confronted.

(i) Matters of substantial party political controversy. In this situation, even if agreement cannot be reached, a committee can define common points or formulate options for consideration and discussion. At the very least members can gather facts and be better informed on issues which will benefit discussion in Parliament or the Party room.

(ii) Matters of specific policy about which there is general agreement but where there may be legitimate debate about the mode of implementation.

(iii) Matters which are not necessarily covered by specific items of Party policy and in which members have a freer hand to make recommendations to their Parties and the Parliament.

On most issues there is therefore a legitimate role for committee activity.

In summary, the question of the powers of Upper Houses is an issue in Australia at the moment. I do not believe that any reform of the powers or procedures of this Upper House should be considered in isolation from the question of the Legislative Council, particularly in relation to supply, but also in relation to other Bills. I believe that we ought to consider the motion that has been moved by the Hon. Mr DeGaris in a broader context. His motion deals with only one aspect of the procedures of the Upper House, and that is an aspect that we would, in general, support, namely, an improved committee system for the Parliament.

However, the Opposition believes that any inquiry should be broader than an inquiry into whether or not the Upper House should have standing legislative committees. We believe that there are threshold issues that need to be determined first. Those issues relate to the powers of the Legislative Council, particularly in relation to Supply. We believe

also that the powers in relation to other legislation should be curtailed to the extent that powers should be delayed powers only. On that basis, I move to amend the motion by deleting all words after 'report' and inserting the following:

on reform of the powers and procedures of the Legislative Council including, in particular, whether—

(i) The powers of the Legislative Council should be reduced to a delaying power of one month in the case of money Bills and 12 months for other legislation; and

(ii) Standing Legislative Committees should be appointed similar to the Committees operating in the Commonwealth Senate.

That is a broader inquiry, which we believe would encompass fundamental issues dealing with the Legislative Council but, of course, including the proposal put forward by the Hon. Mr DeGaris.

The Hon. J.A. CARNIE secured the adjournment of the debate.

SHOP TRADING HOURS ACT

Order of the Day, Private Business, No. 2: Hon. J.A. Carnie to move:

That Regulations under the Shop Trading Hours Act, 1977-1980, concerning Motor Spirit and Lubricants' Employees, made on 22 July 1982 and laid on the table of this Council on 27 July 1982, be disallowed.

The Hon. J.A. CARNIE: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

TORRENS RIVER BY-LAW

Order of the Day, Private Business, No. 3: Hon. J.A. Carnie to move:

That By-Law No. 20 of the Corporation of the City of Adelaide concerning the Torrens River, made on 22 February 1982, and laid on the table of this Council on 20 July 1982, be disallowed.

The Hon. J.A. CARNIE: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

WRONGS ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from 1 September. Page 882.)

The Hon. K.T. GRIFFIN (Attorney-General): This Bill results from recommendations of the Seventh Report of the Law Reform Committee of South Australia. That report was presented to the then Attorney-General, Mr Millhouse, and, following its presentation, the subsequent Attorney-General, now Mr Justice King, sought to have part of the recommendations implemented in a Bill which was drafted but which did not finally proceed in the Parliament. This report is one which I, as Attorney-General, have considered. As I think I have indicated during the past two or three years, having had some consultations with farmer organisations, the issues raised here are particularly difficult ones to resolve without creating inequity.

As the Leader has said in respect of this Bill, the present law relating to damage caused by straying animals is governed by the English case of *Searle v. Wallbank* which was a decision of the House of Lords in 1947. In that case it was held that the owner or occupier of a field abutting a highway owes no duty of care to users of the highway to keep his animals, such as horses and cows, from straying from the field on to the highway.

The owner is not liable for damage caused by animals straying on to roads from his land, even though he may have known that his fences were in a bad state of repair. The Government and I acknowledge that that is an unsatisfactory principle in law and, if it is at all possible to find a reasonable resolution of that difficulty, attempts ought to be made to avoid it. Australian statistics show that, for the year 1977, 15 people were killed and 835 injured in collisions between motor vehicles and animals. Seven of those killed and 338 of those injured were motor cyclists. Property damage, for which no statistics are available, would no doubt have been considerable and, of course, many collisions would have been with kangaroos and other wild animals and not with farm animals. Nevertheless, some of them would have been as a result of collisions with farm animals. It cannot be denied that any reasonable farmer could foresee that, if he failed to take reasonable care with regard to the fencing of his property, injury to persons using the highway and his property would be likely to occur.

This rule has been judicially decided in Canada and in Scotland and, after much debate, was abrogated by Statute in England. In Tasmania and Western Australia, I understand, it has been held that the rule is inapplicable to the conditions in those States. Similarly, the ordinary negligence approach has been favoured by at least two members of the Queensland Supreme Court in statements by way of *obiter* in cases before that court. In New South Wales, legislation has been passed to abrogate the rule. In Victoria and South Australia, it has been held that the rule in *Searle v. Wallbank* continues to apply. Obviously, competing interests are involved in the retention or abrogation and, undoubtedly, those interests eventually are best reconciled by the Legislature.

In some respects, the result of attracting the rule in *Searle v. Wallbank* will not necessarily be desirable. If, for example, regard is had to loss distribution, it is found that comprehensive motor vehicle insurance is common enough and is probably more cheaply obtainable with respect to this risk than is corresponding liability coverage on the part of farmers. In some respects, there is probably something to be said for letting the loss lie where it falls, but the picture changes significantly where the plaintiff suffers injury. It is unjust for the plaintiff to be denied a substantial payout because of what everyone would regard as an anachronistic common law rule.

From the point of view of accident prevention, presumably farmers are already encouraged to take reasonable care of stock by virtue of the prospect of losing their investment in that stock if it is injured or killed in accidents involving motor vehicles. I suppose that it is somewhat a matter of debate how much extra care those stock owners will take if they are made liable to third parties, particularly if they insure against such liability.

I would like for a few moments to examine what occurred in the English and New South Wales legislation. Section 8 (1) of the United Kingdom Act (the Animals Act 1971), the legislation dealing with the liability for animals straying on to a highway, provides:

So much of the rules of the common law relating to liability for negligence as excludes or restricts the duty which a person might owe to others to take such care as is reasonable to see that damage is not caused by animals straying on to a highway is hereby abolished.

Section 8 (2) provides:

Where damage is caused by animals straying from unfenced land to a highway a person who placed them on the land shall not be regarded as having committed a breach of the duty to take care by reason only of placing them there if—

(a) the land is common land, or is land situated in an area where fencing is not customary, or is a town or village green; and

(b) he had a right to place the animals on that land.

That is some mitigation of the total abrogation rule in *Searle v. Wallbank* and, quite obviously, reduces the duty of care on the owners of stock in certain circumstances.

The New South Wales legislation abrogates the rule in *Searle v. Wallbank* and effectively returns liability to a basis of fault. Highway users who are injured by the presence of straying animals may, under the New South Wales legislation, now receive compensation from the owner or keeper of such animals in a negligence action where the defendant has failed, in the circumstances, to exercise a reasonable standard of care. It is agreed by commentators that in remote areas of New South Wales where land holdings are large and traffic is infrequent a grazier may well avoid liability for negligence, even where he has taken no steps to avoid his stock straying on the highway. Obviously, it would be different for a cattle yard or sale yard in an outer suburban or city area.

The position in Western Australia, as I have indicated already, is that the Supreme Court has abrogated the rule in *Searle v. Wallbank*, but I understand that Western Australia is considering some changes to the law, largely through its Law Reform Commission. However, a report has been received but no decision has been taken. So, it can be seen from what I have said already that the spirit of this Bill is accorded by me and by the Government, but I think that there are some difficulties with it that can be considered in Committee.

One of the problems relates to the standard of care. I suppose that that is always a difficulty where one must determine the question of negligence. In this instance, what standard of care is required of a keeper of an animal in relation to road users with respect to that animal?

As has been suggested in relation to New South Wales, a dairy farmer on the Victor Harbor to Adelaide road would probably have a higher standard of care imposed on him than would a pastoralist in the north of the State. It has been drawn to my attention by a farmers representative organisation that farmers will be quite uncertain as to their fencing responsibility. I suppose that there is no way in which the Wrongs Act can be drawn so as to remove that uncertainty. However, it may be appropriate to review with local government departments and the Highways Department the responsibilities regarding fences generally to see whether there can be a cohesive body of requirements establishing guidelines for the farming community.

The Hon. R.C. DeGaris: I have often wondered what the position was in pastoral areas; that has always been of concern to me.

The Hon. K.T. GRIFFIN: It is a matter of some difficulty, because even in the northern areas of the State some properties are held under a Crown lease and neighbouring properties are held under a pastoral lease. Obviously, the question whether or not a pastoral or Crown lease has been granted is not a satisfactory criterion. In the United Kingdom an attempt has been made to deal with this problem under that country's Animals Act, and it is that sort of concept to which I am now drawing attention as possibly being one means whereby people in outlying areas of the State can be reassured that their standard of care is not as high as in the closely settled farming districts of South Australia.

Farmer organisations are concerned about the blanket responsibilities that the deal appears to place on employers with respect to employees. Of course, to some extent that concern must be considered in the context of the general legal principle that an employer is precariously responsible for the tortious acts of his employees, whether a farmer or anyone else is the employer. The same general principle applies.

I have already dealt with this difficulty for pastoral areas of the State and, whilst one might suggest that the general principle of negligence might accommodate the pastoral areas by imposing a lesser standard of care on keepers of animals in those areas, I believe that something more specific than that needs to be provided in the Bill to deal with the difficulty of property and animal owners in outlying areas of the State, particularly where fencing is not generally erected.

Another question that I do not think has been adequately considered by the Bill concerns inadvertent damage to fences or damage by third parties. Again, one could suggest that the principles of negligence generally would determine the duty in these cases, but I believe that something specific needs to be provided in the Bill to deal with that particular difficulty.

One other difficulty somewhat related to that concerns animals escaping from fenced properties. For how long does a keeper retain a liability? For example, if an animal escapes and the owner is unable to find the animal for a period of time, is the owner liable for all the damage that might be incurred during the period that the animal is on the loose? In some cases animals can be on the loose for periods in excess of a week, sometimes several weeks, notwithstanding diligent attempts by their owners to find them. What is the liability of the keeper in those circumstances? That obviously needs to be considered. Whilst the general principles of negligence might produce a standard of care in these circumstances, too, I suggest that there is a measure of uncertainty that we should attempt to clarify.

The Hon. C.J. Sumner: This was in the Government's policy at the last election. The Government has been in office three years and it has not done anything about it.

The Hon. K.T. GRIFFIN: I do not resile from that. I have already indicated that we have had a number of consultations with a variety of independent persons with a view to resolving these very difficult questions. The Leader of the Opposition has not addressed his mind to these questions.

The Hon. C.J. Sumner: You said that you were going to introduce a Bill to give effect to the recommendations of the Law Reform Committee.

The Hon. K.T. GRIFFIN: The honourable member has done it; I am commenting on his Bill. It is all very well for the Leader of the Opposition to react with criticism, but he ought to accept in good faith the comments that I am making about his Bill. I am not detracting from the Leader's Bill.

The Hon. C.J. Sumner: I am not suggesting that you are.

The Hon. K.T. GRIFFIN: Well, the comments indicate that there is criticism in what I am saying. I am saying that there are some difficulties regarding the way in which this Bill is drafted. I indicated that I have given tentative and cautious support to the Bill so that it can be further debated by the Council. The sorts of matters to which I refer are matters that obviously can be considered during the Committee stages of the Bill.

I would have thought that that reaction was quite reasonable to a Bill which, certainly, this Government has given a commitment to deal with, as it is a particularly difficult principle. Because the Government has not introduced legislation does not mean anything. I have indicated that it has been working on this matter in consultation with the people who will be very directly affected by it with a view to trying to reach some conclusion as to the best way to deal with the difficulties that I have indicated. Now that the matter is before the Council, I have raised the difficulties involved, and we will have opportunity to debate them in Committee.

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

SUPREME COURT ACT AMENDMENT BILL (No. 2)

The Hon. K.T. GRIFFIN (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Supreme Court Act, 1935-1981. Read a first time.

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

That this Bill be now read a second time.

At present fees payable in respect of proceedings in the Supreme Court are fixed by rules of court made under section 72 of the Supreme Court Act. The power to make these rules vests, of course, in the judges of the Supreme Court.

The determination of court fees raises questions of fiscal policy and, for this reason, the Government believes that the power to fix fees would vest more appropriately in the Executive rather than the Judiciary. The purpose of the present Bill is, accordingly, to provide that the court fees are to be fixed in future by regulation rather than by rules of court. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 removes paragraph VI from subsection (1) of section 72 of the principal Act. This paragraph is the provision empowering the judges to fix court fees by rule of court. Clause 3 enacts new section 130 of the principal Act. This new section empowers the Governor to prescribe and provide for the payment of fees. The existing rules on the subject are, in accordance with the provisions of subsection (2), to be treated as regulations.

The Hon. C.J. SUMNER secured the adjournment of the debate.

FENCES ACT AMENDMENT BILL

The Hon. K.T. GRIFFIN (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Fences Act, 1975-1977. Read a first time.

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

That this Bill be now read a second time.

It proposes a single amendment to the principal Act, the Fences Act, 1975-1977. The Statutes Amendment (Jurisdiction of Courts) Act, 1981, effected alterations to the jurisdictional limits of district courts and local courts. Section 13 of the Fences Act contains references to pecuniary amounts that are based upon the old jurisdictional limits. The purpose of the present Bill is to bring section 13 into line with the jurisdictional limits that presently apply to local courts. Clause 1 is formal. Clause 2 effects the necessary amendments to bring section 13 into line with the jurisdictional limits prescribed by the Statutes Amendment (Jurisdiction of Courts) Act, 1981.

The Hon. C.J. SUMNER secured the adjournment of the debate.

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, 1982-83.

(Continued from 5 October. Page 1157.)

The Hon. B.A. CHATTERTON: During the Falklands war the first casualty was the truth. During the Australian drought the first casualty has been rationality. Only a few weeks ago Federal Cabinet met in Adelaide to announce many ways of spending money on drought aid. These measures were quite patently announced without a thought towards the administrative practicality of their disbursement or their effect either on the rural economy or surprisingly, on the national economy.

I suppose this is less surprising when one remembers that the Federal Government's Budget has been balanced on the hypothetical amounts of money that it will recover from bottom-of-the-harbour prosecutions but, even so, it is rather bizarre suddenly to see our tight-fisted Prime Minister become a convert to the belief that problems can be easily made to melt if one throws unlimited money at them.

When I pointed out the abuse and misappropriation that would ensue when measures to provide a 50 per cent subsidy on fodder and a subsidy on all interest over 12 per cent really took off, I was subjected to scornful dismissals by some of the more dedicated Country Party acolytes who are currently enjoying positions of prominence in grower organisations. However, my warnings have now been confirmed by no less than Dr Geoff Miller, the new permanent head of the Department of Primary Industry, who told Senator Peter Walsh during the Federal Estimates Committee debates that he simply did not know how an effective administrative framework could be erected to carry out the measures announced, and certainly that it would be virtually impossible to stop abuse and misappropriation occurring.

In addition to Dr Miller's evidence, the *National Farmer* has reported that Pitt Street farmers are already developing, in collusion with their tax advisers, elaborate schemes to enable them to take financial advantage of all the various schemes simultaneously. Liquid assets are being siphoned off. Bank managers are being pressured into providing letters to prove that no further credit is available, and so on, and so on. This is not the only serious defect in the measures that were announced by the Federal Minister early in September. For years farmers have been told that farming is a business and that business is about taking risks. One of the risks of farming is drought, and successful farmers must build strategies into their farm management to cope with drought. Of course, occasionally the frequency of drought is so great that even the most prudent farmer cannot be expected to have allowed for it and additional support from the community is justified. The new drought measures will turn farm business management on its head. The farm management manual will have to be rewritten.

The first golden rule of good farm management will now become, 'Do not prepare for a drought by conserving hay or grain, as the Federal Government will, in times of drought, provide grain much cheaper than you the farmer can produce it.' Currently, under the subsidy scheme announced by Fraser, barley or wheat is available to the farmer at about $70 per tonne (that is, half the normal price) plus a 75 per cent subsidy for whatever the cost of freight is from the silo to the farm. Anyone who makes his or her provision for drought in terms of stored hay or grain in view of this largesse is obviously financially foolish. The Federal Government is prepared to pay $800 per month for every 1 000 sheep that a farmer wants to keep under the terms of the Fraser/Nixon scheme.

The second golden rule for good farm management has now become, 'Do not build up any cash reserves for a drought in the form of income equalisation deposits, debentures or other liquid assets, as they will disqualify you from interest subsidies handed out to relieve you of the effects

of the drought.' The farmer who has observed the rule of prudently building up reserves of assets that can be used during times of drought to meet expected cash shortfalls will be severely disadvantaged under this new rule, as he or she will not be able to claim the interest subsidy on the farm mortgage, stock mortgage, or hire purchase debt being handed out by the Federal Government. The farmer who is more devoted to high living will reap thousands of dollars in subsidy from the Government and will prove conclusively that in Australia, after 1 September 1982, farmer investments in holiday houses at Surfers Paradise, fancy farm machinery and new cars are a better bet than careful strategies designed to provide cash flow when the weather turns bad.

The third golden rule of good farm management in the post 1982 era will become 'Do not reduce stock numbers in a drought as the Government will subsidise half the cost of feeding them and the returns from their wool will pay for the remaining cost, and chances are that you'll make a jolly good profit at the end of it all.' The situation now set in train by the good graces of the Federal Government and the unsuspecting taxpayer is that the Federal Government will provide half the cost of fodder up to 80c per month for each sheep, or $9.60 per year. The cost of feeding a sheep on a maintenance diet for 12 months on wheat or barley (according to the South Australian Department of Agriculture) is about $22. The fodder subsidy will pay almost half that cost and the return from wool the rest. Thus, there is no incentive to reduce stock numbers; it is no gamble to keep the sheep for 12 months as the Government (that is, the taxpayer) is bearing the risk and, if the drought breaks, then the farmer makes huge profits when the sheep are sold on a rising market. Stock agents are currently advising farmers to keep their sheep and feed them on Government subsidised grain rather than put them on the depressed market.

The fourth and final rule in Malcolm Fraser's new book of good farm management is now 'Buy always the cheapest and most marginal land. In the good years, the return on capital is magnificent, and in the drought years any losses will be carried by the Federal Government and the long suffering taxpayer... that is, those who pay taxes, of course.' The Fraser form of drought relief will have a more distorting effect on the rural economy, particularly for commodities and for land values, than crises in overseas markets, terms of trade, or fluctuations in exchange rates. Already the more thoughtful and responsible farmer leaders are expressing alarm at the implications of these extraordinary announcements from Malcolm Fraser and Peter Nixon.

Here in South Australia we have seen only the tip of the iceberg of irrationality that we can expect if these measures find their way through the labyrinth of administration that will be necessary to set them in action. Farmers in Australia have been shown to be shrewd managers and they will learn from Fraser's book of farm management principles quickly. When the next drought comes, they will be better prepared to take advantage of the Government grants and loans, and the Government will find itself locked into a situation where it underwrites the total risk of Australian farming. It is amazing that so many far-reaching consequences could be announced with so little thought or discussion. For instance, if we look beyond the farm management level to the national economy we find that the Government's fodder subsidy will mean that we could be paying out as much as $1 000 000 000 in feeding all our grain reserves and perhaps importing grain to produce wool. No wool clip can provide returns that justify this outlay. The Australian Wool Corporation already has a stockpile of 700 000 bales of wool in its stores, and the market is becoming unsteady as Japan, one of our largest purchasers of wool, battens down her own expenditure against the current world economic downturn.

To invest $750 000 000 of Government money to feed sheep on top of the guarantees involved in maintaining the wool floor price, and the many other advantages extended through taxation measures to wool producers, in the present world economic climate is downright foolish and not the act of responsible economic managers. It would be more sensible to reduce our livestock production and dispose of our cereal production on world markets at the current reasonable prices. This strategy would not require the tying up of huge sums of taxpayers' money in a scheme that will return little to the general community in the long run. The Australian balance of payments situation, already affected by drought, is about to be made even more disastrous by the Government's intervention in the market place, and by its absurd strategies designed to completely reverse sensible and rational farm management principles.

As if the original measures were not enough to cause us to doubt the economic sanity of the present Federal Government in relation to the rural economy, the embattled Minister for Primary Industry, Peter Nixon, last week tried to buy goodwill by offering to provide Government funds to rail all drought affected sheep from New South Wales, Victoria and South Australia to Western Australia. Even his best friends could not become partners in this absurdity, and Minister of Agriculture in Western Australia (Dick Old) was quick to fend off any foolish intentions to take up the offer by telexing each State Minister pointing out that quarantine restrictions on entry of livestock would be very strictly enforced, and making other sounds that indicated that Western Australians were not enamored at the thought of being eaten out by Eastern States sheep. Of course, the responsible rural community in the Eastern States have been quick to point out that the cost of transporting the sheep would be astronomical, the likelihood of rail space being available doubtful, and any eventual return to the farmer very hypothetical.

According to my calculations, if there are 40 000 000 eligible sheep in drought affected areas and the cost of transporting each there and back is $20 to $25, then the national debt incurred in paying for Peter Nixon's pipe dream would be $800 000 000 to $1 000 000 000. As the Minister of Agriculture in New South Wales (Jack Hallam) said, this would be slightly more than the cost of the aircraft carrier *Invincible*. The whole thrust of this bizarre exercise by the Federal Government has left those of us who have conceived and administered drought relief schemes in the past quite puzzled as to the objective of it. After all, most people involved in agriculture know that a perfectly good, and well proven, drought relief scheme was carried out in South Australia in a very severe drought between 1975 and 1977, and there was no reason why that scheme could not have been taken up and copied throughout those States which currently are suffering a cash drought in their farming areas.

In South Australia we successfully changed the previous 'susso' image of drought relief into an efficient and effective emergency banking scheme that supported not only the farm and the farm family but also the district councils and country businesses, because it provided low-interest loans to farmers to carry out their own farm management strategies during the drought and to enable them to buy seed, fuel and fertiliser and have their machinery in good condition so that when the rains came they could move straight into planting and re-stocking and thus recover quickly the ground lost during the dry years. Under this system, the expenditure required by farmers on freight subsidies was minimal—less than $500 000—and, because the scheme was simple and closely related to normal farming practices, it was relatively easy to streamline the administration to such an extent that

loans were paid out within eight weeks of the original application.

The State Labor Government of the time conceived the scheme and organised the accompanying administration and the successful pumping of $23 000 000 into the rural economy within 10 months—thus sustaining 1 200 farming families and drought affected rural businesses—and it was done with little or no disruption to the market forces within that economy. In this drought, what is all this largesse trumpeted forth by State and Federal Liberal and National Country Party Governments going to cost, and where is the money going to come from? The fodder and interest subsidies are totally funded by the Commonwealth and the thousands of millions of dollars that will be poured into them are outside the scope of this Budget.

The major area of State expenditure, going by past experience, will be in financing carry-on loans to farmers and small business. Some money will go in freight subsidies and stock slaughter but the sums will be small in comparison to carry-on loans. The State will have to spend $3 000 000 and will then be eligible for Commonwealth funds on the basis of $3 for $1 of State money. It is extraordinary that there is no mention of the $3 000 000 in the Budget papers before us. During the Estimates Committee the Minister of Agriculture claimed that the Government had not anticipated the drought.

The facts are quite different. In early July the Premier took over hundreds of Adelaide *News* posters to trumpet 'Drought Crisis—Tonkin Acts' and to say that it was the worst drought we have had this century. This was later corrected by the Bureau of Meteorology, which pointed out it was the worst drought since 1977. The Minister of Agriculture was much more specific in his follow-up to the Premier. In the *Stock Journal* on 9 September the Minister was reported as follows:

> We expect payments will exceed $3 000 000 in the next few weeks.

Yet the Minister expects us to believe that that expenditure could not be anticipated in the Budget. It is difficult to estimate what the total cost of the drought will be to South Australia and, of course, the Government will not provide any figure as it will obviously blow out its existing deficit considerably. Estimates vary considerably. Mr Andrews of the U.F. and S. spoke of 4 000 farmers in need of assistance. On the experience of 1977-78, this would cost $92 000 000, with a State contribution of $25 000 000. The Minister of Agriculture has pitched the estimate much lower at $1 000 000 a week—about $30 000 000 to April next year. However, even this would chop a hefty $9 750 000 out of the State Budget.

Is the Premier (as his Federal colleagues seem to be) banking on the fact that all he has to do is announce goodies and that someone else will have to worry about paying for them, or is he not quite the good financial manager he claims to be? In either case, it is a poor lookout for the farmer who has worked a farm on rational guidelines and who now finds all that good work shot to pieces. The new measures, which are completely open-ended and, apart from the carry-on loan of $40 000 at 4 per cent interest, completely non-repayable, carry a propensity to distort the traditional rural economy to a level never seen before in Australian agriculture. Here in South Australia, we are constantly being told that our financial position is very tight. Public servants are being threatened with dismissal because of the economic downturn—

The Hon. K.T. Griffin: There have been no retrenchments.

The Hon. B.A. CHATTERTON: I said 'threatened retrenchments', which has happened in the Woods and Forests Department. Because of the economic downturn, money for housing, hospitals, schools, roads, water supplies and so on is constantly being trimmed. Careful management is the message we are being given for all this belt tightening. Yet here we have the State Government passing on all these drought measures with a blithe unconcern for the cost to the community and to the State's Treasury. As to the largesse towards small businesses affected by the drought, here in South Australia we have seen the Tonkin Government's very own contribution to the insanity generated from their Federal counterparts in Canberra. And what a contribution it is. I refer to the cosy exchange between the member for Fisher and the Minister of Agriculture during the debate on the Primary Producers Emergency Assistance Act Amendment Bill in the House of Assembly during which the member for Fisher sought to ascertain whether small businesses in his electorate in the fertile Adelaide Hills would be accepted as 'drought affected' businesses by his colleague the Minister when $40 000 loans at 4 per cent interest were being handed out.

The Minister, always on the lookout for opportunities to do good, was most expansive, and he guaranteed that such would be the case. I hope he will be just as expansive to market gardeners in the Adelaide Plains, the Riverland and those areas where rainfall has been less than in the Adelaide Hills, and that he will oblige irrigators along the Murray where the rising salt content of their water is undoubtedly due to drought. I am sure there is a large section of the business community in this State (including metropolitan Adelaide) that will welcome this extension and use sufficient ingenuity to put up a good case for drought related difficulty and thus qualify for a $40 000 loan at 4 per cent interest, under the terms and conditions announced so far. As to who will pay for all this largesse—that is not yet satisfactorily explained.

During the months since the announcements of the current drought and the measures that have been dreamt up to show the concern of the Country Party and the Liberal Party for the farmers' vote, I have, on behalf of many eager constituents, tried to get application forms and relevant information from Government departments so that advantage may be taken of these measures by farmers who are beginning to feel the economic effects of spoiled crops, depressed livestock markets and quickly drying-off pastures. Administrators have not yet received clear guidelines on the procedures to be followed, and, for this reason, have not been able to have disbursement mechanisms set up. Because of this undoubted confusion, and quite proper hesitancy on the part of administrators to move until their directions are quite clear, it may well be that the more absurd and fantastic announcements made by various Ministers will never be put into operation, but one must remain very aware that the genuine need in the rural community will not be met either. That is the pity of it all: that the 'operators' will get very quickly on to the band waggon in one way or another, but the farmer who genuinely needs financial help will wait and wait, while confusion reigns and fear of making the wrong decision paralyses the already unnerved administration responsible for putting into practice the grandiose generosity of Federal Government publicists, and their South Australian counterparts.

The current situation in the South Australian timber industry is a cause of great concern to everyone living in the South-East of the State. There has been a downturn in the market for timber in Australia, a very successful marketing effort on the part of New Zealand exporters of timber, and a fall in employment and profits in the Australian industry. The contribution of the Woods and Forests Department to State revenue from its profits fell by more than 50 per cent last year and the Government now admits that it is likely to remain at a low level. The Tonkin Government is putting all the blame for the disastrous situation

on the downturn in timber sales in Australia and is ignoring its own failure in the marketing of logs and timber from the State forests and mills.

It is in marketing that the Liberal Government in this State has let down timber workers at the State's timber mills and in the State's forests. It is well remembered that the Minister of Forests and the Premier of this State quite cold bloodedly sabotaged a joint venture in woodchip exports that was negotiated by the previous Labor Government and, in their greed, they disaffected exporters interested in trade from this State for sometime. The Indian project, which would by now be underwriting many of the losses currently being sustained by the State's forestry operations, was destroyed. The Japanese, who were the 'big spenders', according to the Premier and Minister, faded away when the price of chip went down again. And A.P.M., which stepped in to help the Premier and the Minister make the usual big, but empty, Liberal Government promise of action, have not only failed to make good their intention to build a pulp mill but also now announced that they are closing the cellulose paper plant that they bought originally to safeguard themselves against competition in the paper and cardboard industry. The balloon of hot air that the Premier and the Minister of Forests blew up in November 1980 has now finally shrivelled into the empty and worthless bladder that we, on this side of the Chamber, always knew it was.

However, that hot air has cost the timber industry and its workers in this State their jobs and the taxpayer a considerable amount of revenue. It has given South Australia a bad name in the timber export game, and each day thinning of rapidly growing forests is delayed results in a waste of resource and a downgrading of the quality of future log. The closure of A.P.M.'s cellulose paper plant near Millicent on 5 November next is a great disappointment to the people working there, but no surprise. One hundred and thirty people will lose their jobs in the plant as a direct result of the closure, but of course, if one applies the multiplier effect it is obvious that, over time, many more jobs and employment opportunities will be lost in nearby towns. The lack of any alternative employment for those retrenched will not only make their position more difficult but also make the effect on the local economy more severe.

There will be no carry-on loans for these people. The closure of Cellulose has not come out of the blue. Workers have been warning for some time that this will happen. Anyone who studies the industry has known that this will happen. The only people to show surprise are the Minister of Forests, the Minister of Industrial Affairs, and the Premier.

It has been obvious for some time that A.P.M.'s interest in buying the Cellulose plant was, as I have said, to mop up competition in the paper and cardboard industry. There has been a steady decline in the activity of Cellulose over the years as production has been moved to other A.P.M. plants interstate, and workers always have felt uneasy at the striking lack of investment in new plant and machinery at Millicent.

In early 1970, Cellulose took 90 000 tonnes of log from the South Australian Government forests. By 1978 this had been reduced to 30 000 tonnes and in 1981 the company renegotiated its log contract on to a yearly basis. This reduction in log intake was not merely a switch to other sources of supply. Output figures from the plant show that in 1973-1974 sales of Cellulose products were 58 317 tonnes and by 1981-1982 this had dropped to 23 355 tonnes.

The reason for this run-down in production and lack of investment, we now find by turning to company documents, is the company policy to consolidate its activities in its major plants interstate. The only reason that this has not happened faster and sooner was that the Labor Government posed a threat to that plan by a proposed joint venture with an overseas company. That threat was underwriting the stability of employment in the Cellulose plant in the South-East of this State and, when the Tonkin Government removed that threat, A.P.M. was able to go ahead with its plan to close down and remove those tradespersons from the workforce. In terms of A.P.M.'s total capacity, the No. 2 Cellulose machine is very small fry indeed. The machine, working at full capacity, has an output of 33 000 tonnes compared with 150 000 tonnes form the largest A.P.M. machine at Maryvale, 121 000 tonnes at Botany, or 100 000 tonnes at Fairfield.

In August 1982, A.P.M. had a total installed capacity of 850 000 tonnes of which Cellulose made up a mere 33 000 tonnes. Yet, in spite of its small size and lack of modern equipment, the Cellulose operation has always made good profits for A.P.M. Over the last decade, the only loss was in 1978 following the closure of the No. 1 paper machine and the payment of redundancy compensation. Last year the profits of the company were at a record level of $1 500 000 and the rate of return of investment from Cellulose was the highest within the A.P.M. group. It is certainly ironical, when workers are being exhorted to be content with moderate wage demands so their employers can stay in business and keep them in their jobs, that workers at Cellulose should be retrenched and lose their jobs after contributing to the best result for their employer.

Despite these excellent results, A.P.M. has decided to continue its policy of rationalising production to its larger plants. The Government, with its much vaunted economic expertise, has not had the wit to see the strategy that has been clear to all who have eyes to see. A.P.M. purchased Cellulose to dispose of competition and it has kept it open only to keep competition out. The South Australian Government has not only been blind to the strategy behind the company's operations in this State, but has actively assisted A.P.M. to achieve its objective. The plant would have been closed earlier if A.M.P. had not had the threat of competition from the Punwood/H.C. Sleigh plant in Mt Gambier to cause it to delay its decision.

Now that the South Australian Government, all on its own, has gotten rid of that threat, and the market is thoroughly depressed, the company considers that it is safe to withdraw completely, as the likelihood of anyone else taking over is very remote. In any case, the risk of competition has been assisted off the stage even further by the amiability of the Tonkin Government in offering A.P.M. a lien over the softwood resource in this State until 1990—free of any commitment on the part of A.P.M.—and so confident is A.P.M. that it has the Tonkin Government by the nose, that it did not bother even to sign a paper offered by the Government, but simply told its shareholders that the resource was on ice.

Confirmation of the fact that A.P.M.'s continuing stay in South Australia was due only to fear of competition is provided by the 'Cellulose Bulletin' dated 29 March 1980, in which the manager states, and I quote:

> We are continuing an investigation of the feasibility of installing a small thermo-mechanical pulp mill at Cellulose making maximum use of existing equipment and using No. 1 machine to dry the pulp. We started the investigation after talk of a mill in Mt Gambier.

Once the Tonkin Government had safely gotten rid of the threat of the Mt Gambier mill, the company felt safe to wind up its public relations exercise and it sold the No. 1 machine overseas and gradually set about closing the whole plant. Naturally the workers are very bitter. Many have given all their working lives to the company and are now at an age when it will be virtually impossible to get another job even if one is available.

To look at the list of retrenched workers is a most distressing experience. Near the top is a carpenter aged 51 with 34 years of service with Cellulose, and with his home in Millicent. Another is a greaser aged 51 with 30 years of service. Even those who have been employed more recently are unlikely to find work elsewhere. Who is going to employ a chemical pulper assistant aged 40 with 14 years service in the one job, or a boiler attendant aged 48 with 12 years service?

The Tonkin Government's inability to connect its erratic actions with the reality of people's lives and activities makes it an irresponsible Government. It never thinks its actions through. It never looks behind the immediate effect of a press release, and it is so enamoured with the glitter that the substance of organisation, management and intelligence are ignored—unfortunately to the cost of the workers in this State. The possibility of the Tonkin Government's doing anything constructive to aid the declining timber industry of this State and the retrenched workers from Cellulose—victims as they are of incompetent strategies and Government assistance to the very management that has destroyed their employment—is remote indeed. Apart from a letter or two used as a press release and containing nothing of significant use in the campaign to halt the present problems, the Minister of Forests sent the Director off to Japan recently to see whether he could pull a rabbit out of the hat in the form of an export contract of some sort. Not unexpectedly, that came to nothing.

When a Labor Government is elected to sort out the mess it will begin by going back to basics. There is little hope of reversing the A.P.M. decision to close the plant. Continued operation of the plant by someone other than A.P.M. would be difficult to arrange, as sales would be made on the domestic market and A.P.M. very effectively controls that market. Therefore, we have to look for exports. The Pacific region is now awash with surplus chips and pulp from Canada, U.S.A., New Zealand and Chile, all of which are produced at lower cost than will ever be possible for thinnings from South Australia forests.

If we look in the other direction towards India, the Arabian Gulf and the Red Sea ports, we have a freight advantage that will largely cancel out out higher production costs. We know that there is a considerable shortage of chip, pulp and paper in the region. We know that there are vast industrialisation programmes in the countries bordering the Indian Ocean but, in spite of initiatives and negotiations left behind by the Labor Government in 1979 spelling out clear avenues of export gains for the timber and forestry industry of this State, the Tonkin Government has not had the ability to grab a piece of the action.

The result is what we see today: less revenue for the State Government; a declining community base for towns in the South-East of the State; closure of plants; and the loss of any future for an increasing number of timber workers. This has not been an inevitable occurrence: it has happened because of a lack of management, an inability to understand the markets and company policies that determine capital investment, and mischievous politicking with a State resource by an inept Minister and Premier concerned with creating hot air and playing one-up-manship, rather than safeguarding the future of those who are the Government's real responsibility.

The Hon. M.S. FELEPPA: The Budget papers presented by the Government have concerned me especially in the areas of community welfare and industrial affairs. I will be making brief comments on these two areas. First, I wish to refer to the area of welfare. The Budget papers present an attractive number of principles and objectives under which the department functions. However, there are some obvious discrepancies and I will refer to two of them.

The first is that the papers clearly identify the trends and issues in welfare. I refer to page 6, Volume 2, of the Programme Estimates:

> To meet increasing demand for welfare services as more families and individuals are affected by high unemployment levels, and other consequences of the depressed economy, within a climate of budgetary constraint.

Page 15 of the Programme Estimates states:

> Family life in South Australia is under increasing pressure from factors such as increasing unemployment, increased housing mortgage and rental costs, low accommodation vacancy rates and increases in basic c.p.i. components such as food, health insurance, transport and household operation expenses. These pressures are a particular burden for the high number of South Australians receiving statutory pensions and benefits (one in five people, 15 years and over). It is believed that these trends are responsible for the increase experienced in demands for D.C.W. services, such as: child abuse (increase of 19 per cent), budget advice (up 45 per cent), new files opened (up 18 per cent).

I wish to praise the Minister's admission that the major cause underlying the welfare problems of our people is unemployment. Nowhere in this document, fortunately, is inflation claimed to be the major or main cause of welfare problems. As a matter of fact, inflation at this point was not mentioned. If this is how the Minister and his Government view the cause of welfare problems, why is it that it is not reflected in their economy strategy? Why is it that this Government still prefers to fight only inflation, while disregarding unemployment as one of the major social problems?

Even the Federal Government has been forced to concede, in its latest Budget, that its strategy for fighting inflation after seven years of effort has not produced the results it had promised to the people of this country. So, we are faced with this discrepancy of a Government which, on the one hand says that unemployment is the major source of problems for people, yet puts all its efforts into fighting only inflation.

Secondly, the other source of contradiction is in the distribution of funds and programmes in relation to the objectives of the department. Again, page 6 of the Programme Estimates states:

> To promote the welfare of the family as the basis of community welfare, to reduce the incidence of disruption of family relationships and to mitigate the effects of such disruption where it occurs.

In contradiction of this, the Programme Estimates for the year 1982-1983 shows a reduction of staff and resources directly related to the support of the family. Of course, this is not clearly stated in the Budget papers, but it becomes obvious once the sums are done. New programmes and activities are initiated by the department almost every year, yet no new resources are allocated to it. In fact, taking inflation into consideration, resources have been reduced.

For example, the recent increase in the emphasis on the protection of abused children has not resulted in a comparable increase in staff. The increase in emphasis and in actual cases of reported child abuse must be dealt with by the existing staff if no new staff is allocated. This means that the generalised staff, normally working with the families, have their time reduced for this kind of work. Page 8 of the Programme Estimates shows that the staff allocation for general counselling for individuals and families was reduced from 120.5 average full-time equivalents, as proposed in 1981-82, to 116.1, as proposed for the year 1982-83. It also shows that staff allocated for child protection was reduced from 26.5 average full-time equivalents, as proposed for 1981-82, to 15.7, as proposed for the year 1982-83.

In spite of the department's overt proclamation of its commitment to the family, the total staff involved in this specific field is just 116.1 average full-time equivalents, as

mentioned above. Therefore, I will not accept the argument that anything which helps an individual also helps the family. The Minister may recall that I have spoken at some length on this topic before and for this reason I do not wish to reopen that discussion in this context today.

However, I wish to express my concern at the lack of practical evidence of the department's commitment to helping families in an increasing environment of risk to them. Also, I wish to stress that I am not suggesting that the resources allocated to other programmes should be redirected to programmes directly related to families. What I am suggesting is that more resources, apart from the ones for the existing programmes, should be made available to help families in order to allow them to cope and survive in these difficult times.

The Government, in pursuing its present policies of reducing services, is certainly not responding to the need to alleviate the problems more adequately. I am also concerned about the high cost of maintaining children in secure care. Certainly in no way do I wish to challenge the department's expertise in this matter, but one is left wondering whether the relationship between the type of secure care provided, the results expected and obtained, and the costs, have been analysed. As I said I respect the department's expertise in this field and I raise this question for the Minister in case he wishes to add any comment later.

Another matter that I wish to raise is the overall allocation of resources. For instance, why has not emergency financial assistance been increasing as one would have expected in the current economic situation? Surely it cannot be because families now have more money. Instead, could it be that after last year's experience clients simply gave up calling on the department in the knowledge that they would not get sufficient help?

Further, could it be that the criteria for the distribution of emergency financial assistance has changed so drastically that it is almost impossible for people in need to become eligible? Could it be that the amount allocated is such a pittance that departmental social workers regard it as being worthless in trying to remedy any situation involving emergency assistance? Clearly, these are questions to which there are no answers in this Budget. One merely reads confusing statistics.

Of course, the other point that is of great concern to me is the further reduction in staff dealing with the aged. I notice from page 8 of the yellow book that the number has decreased from 154 in 1981-82 to 132.6 in 1982-83. I believe that this reduction has taken place despite strong opposition by staff and residents at Magill.

Can the Government honestly demonstrate how this reduction provides adequate service in an area that is of increasing concern in the community? The Council knows that the Government's ambition is to provide patients for private hospitals so that these hospitals can make money, but what about elderly people who have insufficient means to look after themselves or who cannot enter such institutions? Will they be left at the mercy of 'market forces'?

Services to the needy aged cover an area that this Government has ill-served, and this trend, which drives more and more people into a complex of problems, needs the attention of the Minister so that that trend can be reversed as soon as possible.

I would now like to make some brief comments on industrial affairs by speaking about industrial safety, health and welfare within the Department of Industrial Affairs and Employment. At page 25 of the relevant yellow book it states:

> Trends show that accidents have increased and the total cost of industrial accidents continues to escalate. Workers compensation in 1980-81 was $78 300 000.

Yet on the same page the Government claims:

> A comprehensive inspection programme was maintained.

It is also stated that the Government hopes to examine alternative approaches to regulations in occupational safety and health. At the same time it claims that there will be no significant change in 1982-83. I refer to page 26 and the heading 'Safety and Occupational Health Promotion'. Government expenditure fell short of the available sum proposed in 1981-82—from $161 000 to $148 000, a reduction of $13 000 (8 per cent)—and the Government has proposed for 1982-83 the sum of $155 000, which is 4 per cent or about $6 000 less than the amount allocated for the previous year, yet this is in the face of inflation and rising costs.

Nevertheless, while cutting available funds in the face of demand, there is no sign of any funds being used for industrial safety programmes for non-English speaking workers who comprise about 40 per cent of the shop floor work force, according to a study undertaken by Professor Ford, and this situation puts at risk a very high proportion of workers. Also, we see a worsening situation which seems to exist in the handling of dangerous goods and substances, as described on page 28 of the yellow book under the heading 'Need Being Addressed', because there is no reference to resource allocation for this matter as set out on page 29. Do non-English speaking workers rate any industrial safety precaution education, or does the Government consider them to be only industrial fodder?

Unemployment levels in South Australia are dealt with on page 41, and in March 1982 South Australia had 47 000 unemployed. I refer to the figures more closely. Unemployment figures for August 1982, according to the Commonwealth Employment Service, were 10 192. New job seekers in metropolitan Adelaide were faced with only 2 747 available jobs, thus leaving the remaining 7 466 workers with no job vacancies to apply for. Roughly one-quarter of those unemployed workers obtained jobs, whereas the other three-quarters had to stay on the dole in that one month alone.

The situation is as bad in country areas where we had only 3 177 new job seekers looking for work in August 1982, yet only 903 jobs were available. While all this has been going on, this Government which three years ago promised more jobs is still sitting on its hands and doing nothing positive to reduce unemployment.

Our unemployed workers are moved by desperation while this Government wastes its resources and time insisting only on giving priority rating to studies on overcoming those problems, which are strangling our unemployed youth more and more.

Turning to another aspect of unemployment, in the past I have had the opportunity to speak to a number of employers who told me that they could not employ some young people because they did not have the basic skills of writing, comprehension and a basic arithmetic. Yet, on page 27 of the yellow book, under 'Issues/Trends', one sees the following:

> There is concern that the young people are ill-prepared by existing educational and training programmes to meet the requirements of industry and the labour market. This is in spite of relatively high school retention in this State.

If that is the situation, what are young people being taught in our schools? What is wrong with our teaching system? What do members of Parliament propose to do to improve the education system for our children? When the Commonwealth Employment Service withdrew its school officers some time ago, what did the Government do to compensate? Did it appoint teachers to be employed as counsellors? When will the Government accept responsibility for its action? I can only come to one conclusion: that this Government, by its own admission, has failed to rectify wrong actions.

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

GOVERNMENT FINANCING AUTHORITY BILL

Adjourned debate on second reading.
(Continued from 5 October. Page 1161.)

The Hon. L.H. DAVIS: The establishment of a central State borrowing authority has been a matter of interest for some years. The Australian Associated Stock Exchanges, life assurance offices and short-term money market dealers publicly supported the establishment of a centralised State borrowing authority to handle fund raising for smaller semi-governmental and local government bodies in submissions presented to the Campbell Inquiry, as early as January 1980. The South Australian Government announced its intention to establish a centralised borrowing authority in mid June of this year.

In line with the Campbell Committee's recommendations, the largest commercial authority in South Australia, ETSA, will be excluded from the provisions of this legislation. The Campbell Committee recommended that larger commercial authorities should be permitted to remain as borrowers in their own right. It is quite clear in the Minister's second reading explanation that the Government intends to do just that. Clause 4 provides that semi-governmental authorities will be those that are declared by proclamation to be a semi-government authority for the purposes of this Bill. That does not include councils, as defined in the Local Government Act.

It is by the device of the definition clause that the Electricity Trust of South Australia is specifically excluded from the provisions of this Bill. That has also been the case in Western Australia, where similar legislation was enacted recently. The Western Australian Government has excluded its major statutory authority borrowers from the provisions of a central financing authority. In Western Australia's case, that is the State Energy Commission of Western Australia, the Perth Water Board and West Rail. It is also true that other States, apart from Western Australia, have moved towards embracing this concept.

For some years there has been a joint Government authority loan in Queensland, where local government and semi-governmental authorities join together to raise funds on the one prospectus, with the names of the various borrowers being specifically mentioned in the prospectus. I support the technique that the Government has used to define the Electricity Trust and the other bodies that are not deemed to be semi-governmental authorities for the purposes of the South Australian Government Financing Authority. I understand that some concern has been expressed that bodies such as universities could be regarded as semi-government authorities for the purposes of this Bill. The intention is not to proclaim them as semi-government authorities for the purposes of this Bill.

It is important to note that at this stage councils have been specifically excluded from the operation of this legislation. In time, the Campbell Committee's recommendation that local government should be included in such a scheme might come to pass in South Australia. However, this first step is important, and I welcome it. The point should be emphasised that, unlike all other mainland States, South Australia has only one major semi-governmental authority regularly borrowing from the public, that is, the Electricity Trust of South Australia.

The Minister's second reading explanation makes quite clear that, whereas in other States, specifically New South Wales and Victoria, water, sewerage, drainage and roads are functions administered by statutory bodies, in South Australia these functions are carried out by Government departments. In New South Wales and Victoria there are significant and continuous borrowing programmes for Loan funds by statutory authorities such as the Department of Main Roads and the Melbourne Metropolitan Board of Works. The Electricity Trust of South Australia remains the only major public borrower of Loan funds in South Australia. In fact, in 1981-82 it raised just over $100 000 000, including $20 000 000 overseas, by way of public and private borrowings.

Many other semi-governmental authorities in South Australia, such as the Housing Trust, the Festival Centre and the Pipelines Authority, also borrow on a regular basis. In fact, the Budget papers indicate that semi-governmental loans amounting to some $25 000 000 were raised to assist the 1981-82 Housing Trust programme. These funds are invariably borrowed privately through financial institutions such as the State Government Insurance Commission, the Superannuation Investment Trust, various banks including the State Bank, the Savings Bank and commercial banks, insurance companies, and a variety of commercial institutions.

The Electricity Trust of South Australia and statutory authorities such as the Housing Trust, which borrows in excess of $1 500 000, have approved maximum borrowing limits set by Loan Council each year. There is also a third category of statutory borrowings, namely, the 30 or so authorities that borrow up to $1 500 000 per annum. Honourable members will recall that that figure was recently increased from $1 200 000. These funds are raised by the Treasury by way of private placement.

It is important to note that there is a distinction between the cost of private and public borrowings. In fact, the current rates for semi-governmental authorities, such as the Electricity Trust of South Australia, borrowing from the public by way of prospectus, are as follows: four to six years, 14.8 per cent (whereas the cost of borrowing privately for that same period is 15.1 per cent); for a seven-year to nine-year period the rate is 14.9 per cent (whereas the private rate is 15.2 per cent); and for 10 years or more the public loan rate is currently 15.1 per cent (the private loan rate being 15.4 per cent).

In each instance members will see that the private loan rate is 0.3 per cent higher than the public loan rate. It is also useful to note in passing that those semi-governmental rates which are set by Loan Council are currently some 2.4 per cent lower than the peak interest rates which prevailed little more than a month ago. The public rate for a four-year to six-year period peaked at 17.2 per cent, and is now 14.8 per cent. Indeed, for the 10-year or longer section the private loan rate peaked at 17.7 per cent a little more than a month ago. That is now back to 15.4 per cent.

The Hon. J.C. Burdett: Do you think that it will continue to come down?

The Hon. L.H. DAVIS: There is every indication that rates are moving downwards, and that significant movement of some 2.5 per cent suggests that the trend is in the right direction. It is difficult to predict whether that trend will continue. Hopefully, if it moves a little further one would expect it to spill over into the critical interest rate areas such as housing.

The creation of a central borrowing authority is sensible in at least four respects. First, it enables the authority to borrow publicly, whereas those authorities for which it has been borrowing in the past have been able to borrow privately only. Therefore, it is cheaper, notwithstanding the costs associated with public fund raising such as the cost of a prospectus.

The Hon. K.L. Milne: The authority would cost a lot, too, when one comes to add that in.

The Hon. L.H. DAVIS: I believe that these costs will be more than offset by the fact that such costs are to be shared, whereby general administrative costs and the cost of servicing interest payments will be decreased. Each of these authorities must allocate funds each year to maintain and service the interest payments in order to service the debt and the general administration costs associated with those borrowings.

The second advantage of the creation of a central borrowing authority is that it will maximise the ability to earn top interest rates on surplus funds. This is similar to the concept of the very popular cash management trusts that we have seen in recent times, where units of cash are aggregated to maximise interest rates obtainable. Of course, that principle will also apply in respect of the South Australian Government Financing Authority. It will be able to maximise interest rates obtainable on surplus funds.

Thirdly, it will provide maximum flexibility in taking advantage of new instruments of borrowing that have been deferred in recent years. The smaller authorities which are borrowing up to $1 500 000 are obviously unable to do that. However, we have seen in recent times how some of the larger authorities have taken advantage of the new financing techniques that are available. For example, in 1981-82 the South Australian Housing Trust raised $5 000 000 in short-term funds by way of an issue of promissory notes.

Fourthly, it will provide South Australians with a greater opportunity to invest in securities which are issued in South Australia and which have the strength of a South Australian Government guarantee. As the Leader said in his second reading explanation, the lack of semi-governmental paper issued in South Australia has restricted the development of a secondary market in semi-governmental securities. This is an important aspect that is perhaps often overlooked: whereas Telecom, a Federal statutory body, has developed a secondary market that enables holders of Telecom paper to know that there is always a buyer for their paper should they wish to sell it prior to the maturity date, in South Australia no such formal market has been developed.

There is a secondary market in the sense that investors in Electricity Trust debenture stock can sell their paper through the Stock Exchange. However, sometimes that might take time, and sometimes the price that they obtain might not be commensurate with the proper market rate that would otherwise operate in other States where a commercial market is more fully developed. Therefore, it is worth noting again a point that I raised last year, namely, that the Victorian Liberal Government when still in office in August 1981 put forward a commendable proposal in my view, that is, to set up a secondary market for buying and selling semi-governmental securities.

This was to be done by establishing State Bank branches throughout Victoria as vehicles to take semi-governmental paper up to the value of $10 000 and to provide the seller of such semi-governmental paper with the going market price. Of course, that facility advantaged small investors—those who wished to sell up to $10 000 worth of semi-governmental paper issued by Victorian statutory authorities.

Given that the Government has noted that the development of this South Australian Government Financing Authority will encourage a broader secondary market, I would hope that it will take into account the Victorian proposal, which I believe is now operating, and look closely at it with a view to introducing a similar scheme in South Australia. It is important that South Australians are given an opportunity to invest in South Australian Government guaranteed securities.

The Hon. Miss Levy in her contribution to this debate made the point that we are creating another statutory authority. That was a rather trivial point, because she had quite clearly not understood the point, made in the second reading explanation, that it would have been far easier for the State Government in its own right to have operated as the borrower for these various semi-governmental authorities, such as the Housing Trust or the Pipelines Authority, which quite clearly borrow beyond $1 500 000 a year, or that clutch of statutory authorities that borrow less than $1 500 000.

It would quite clearly have been easier and more convenient for the Government to do that without setting up another statutory body. However, the point is that the financial agreement reached between the Commonwealth and the State Governments precludes this, so that the only mechanism that can be used to enable a centralised borrowing authority to be established is a statutory body, which has been named the South Australian Government Financing Authority. Clearly, it will be well controlled. The Under Treasurer is Chairman of the board, with provision being made for three or four board members. The Leader in another place has suggested that the authority is being established as a result of high interest rates and the problem of deregulation. That is quite clearly a nonsense argument. Rather, the central State borrowing authority is being established because of the growing maturity of the capital markets and of the ability to take advantage of various financing techniques. Of course, it was an integral part of the Campbell Committee recommendations.

Queries have been raised on both sides of the House about the operation of some of the clauses of this Bill, but it would be more appropriate to deal in Committee with the points raised, mainly in relation to clauses 16 and 18. I am pleased to support this Bill, as I believe that it is an important innovation in enabling the Government to take advantage of the growth and spread of securities that are now available in the capital market. It also will enable the Government to minimise the cost of borrowing for a number of smaller statutory authorities and to maximise interest rates on surplus funds. It will have also, no doubt as a corollary, the ability to project the better financial information in the Budget papers in regard to those statutory authorities. I support the Bill.

The Hon. K.L. MILNE: I do not wish to delay the House long, but I would like to make one or two points, especially after hearing the persuasive arguments of the Hon. Mr Davis. Although this authority is a good move in some ways, it is good news and bad news. I can see the worry for any Government, but many small authorities simply do not know how much they have to invest. They do not know whether they should invest and, if they should, they would not know how or in what to invest it. So many semi-government authorities need and would welcome guidance. However, one must be very careful as to how far this guidance or persuasion goes.

I am concerned that under clause 16 of the Bill a body other than a local government council can be declared by regulation or by the Governor to be a semi-government body. That can be very dangerous, and I will explain why in a moment. In the meantime, the Government considers that it would like an authority that has money from it to have at least some guidelines on how to invest that money. However, if we are to have authorities of that nature, I ask what about local government? Many local government authorities could do equally well with guidance on how to invest surplus funds. Local government gets surplus funds now from the Government. It gets lump sum payments, for which it has no need or cannot spend immediately, and it is exempt. Why should local government be exempt when other authorities are caught under this Bill?

The Hon. K.T. Griffin: Because they are not governmental.

The Hon. K.L. MILNE: That may be so, but some smaller local councils need just as much guidance as anyone else on the money that they get from either the State or Commonwealth Governments. The Attorney-General's amendment improves the situation by eliminating actual direction by the Treasurer, but this Bill could still apply to the Savings Bank of South Australia, the State Bank, the Electricity Trust and the State Government Insurance Commission. I agree with the Hon. Mr Legh Davis that some organisations should be included and guided and that some should not. For example, it would be a very grave folly to interfere with the investment policy of an insurance organisation, because insurance organisations are world-wide and are dependent on their world-wide reputations, and any suggestion that the Government is interfering with an insurance organisation ruins, or certainly harms, its credibility.

In addition, an organisation such as the State Government Insurance Commission very often has a borrowing or lending programme that is tied to reciprocal business by way of premiums. Admittedly, the S.G.I.C. is not borrowing: it is lending heavily. However, it seems to be provided in the Bill that the Treasurer could make a direction on lending as well.

Clause 18 is very dangerous in providing that the moneys received, perhaps by way of a grant, could be turned into a loan, and if one is budgeting for a semi-government authority, however big or small, one must know whether the money being received is a grant or loan. Prices for goods, administrative structure, hand-outs, or whatever function the statutory authority is playing, are included on the payments side according to whether a non-payable grant or a loan has been received. I will speak on that, perhaps more firmly, in Committee because it is highly dangerous. I would not like to be administering an organisation, be it the South Australian Government or a small semi-government statutory authority, that did not know whether money that had been granted would be changed to a loan and charged interest. One cannot work that way.

I will ask the Government to think very seriously about not including that clause. It does not do any good, but it does much harm and destroys the credibility of the Bill. In principle, after hearing what the Hon. Legh Davis has said, I will not, as far as I can see now, oppose the Bill, but it needs more careful thought in Committee.

The Hon. K.T. GRIFFIN (Attorney-General): I thank honourable members for the attention that they have given to this Bill and for their indications of general support for the Government. The Hon. Anne Levy made some criticism of the authority as another statutory authority.

The Hon. Anne Levy: I did not.

The Hon. K.T. GRIFFIN: The honourable member did. She made a point about the Liberal Party's general approach to statutory bodies and implied some criticism of the Government's seeking again to establish a statutory body. I do not want to debate the policy at length.

The Hon. Anne Levy: I did not criticise the Government for establishing this authority. I just pointed out that it was contrary to Liberal policy. I supported it.

The Hon. K.T. GRIFFIN: There was some implied criticism there of the Government. I do not want to spend much time on that topic, except to say that the concept of the central borrowing authority is not inconsistent with this Government's small government philosophies. The authority's basic function is to arrange finance. It will not engage in any substantive functions of its own. The authority will be serviced largely, if not entirely, by the Treasurer from its existing resources, and it will not involve the creation of any new bureaucracy. It is designed to facilitate rationalisation of the borrowing and lending of semi-government authorities so as to provide a central focal point for the handling of the debts of semi-government authorities.

The Hon. K.L. Milne: It is a kind of money-lending organisation in itself. It is a kind of bank, in a way.

The Hon. K.T. GRIFFIN: It is really a funnel. It has a funnelling and marshalling responsibility, largely, to ensure better deals on the open market. If one can marshal the loans of semi-government authorities and raise one large loan, one is much better off. One can obtain better interest rates and conditions than if one has 30 authorities borrowing smaller amounts on the semi-government market. Essentially, it is a means by which the requirements of authorities will be marshalled to obtain a better deal on the open market. In addition, that better deal necessarily will flow through to the authorities themselves. It is simply that. It is an agency of Government directly responsible to the Minister for the rationalisation of many of the requirements of semi-government authorities.

The Hon. K.L. Milne: You mean it is like a money venturi tube, hot on one side and cold on the other?

The Hon. K.T. GRIFFIN: We do not blow hot and cold. The honourable member who interjected, I suggest, knows from his own pers onal experience how to blow hot and cold on the one issue two or three times.

The Hon. Miss Levy's second point is really centred on the question of consultation with semi-government authorities affected by the legislation. There has been consultation between the Government and authorities, which have been kept informed of the Government's plans. Several authorities raised what the Government regarded as legitimate concerns about aspects of clause 16 of the Bill. As members will see from their Bill file, there is an amendment on file which we will consider during the Committee stages and which, I believe, removes that cause for concern.

At one point the Housing Trust raised some questions about the way in which the authority may affect the trust's finances. However, there has been discussion between Treasury and the Housing Trust and also between the Premier and the Minister of Housing and, as far as I am aware, the concerns of the Housing Trust have been largely alleviated. There certainly will not be any adverse impact on the Housing Trust; I can give the Council an unqualified assurance of that. On the contrary, as I have already indicated with respect to all authorities participating in this project, the establishment of the authority will improve the range, and reduce the cost, of finance available to the authorities, particularly to the South Australian Housing Trust.

With any new and significant measure of this kind, it is really not surprising that there might be some uncertainty on the part of those who are likely to be affected. I give an assurance that the authority will be working in close and continuing consultation with individual authorities concerned and that its operation will be to the benefit of the public sector as a whole.

The Hon. Mr DeGaris raised certain points to which I wish to respond. First, he suggested that the Registrar of the Supreme Court might be affected by the Bill. I point out that that is not so. The Registrar of the Supreme Court is not a body corporate and, therefore, cannot be prescribed under the provisions of the Bill as a semi-government authority. The Hon. Mr DeGaris also suggested that clause 4 should be amended to exclude bodies such as the two banks and the Public Trustee. The Government gave consideration to this, because it was raised at an early stage. I can see why the Hon. Mr DeGaris put forward this proposal, but the Government has not accepted the suggestion by virtue of the amendment to clause 16 on file. That must be taken as a clear indication that we agreed that the State

Bank and the other authorities would not appropriately be subject to the Treasurer's powers of direction.

The other provisions in the Bill facilitate borrowing and lending activities and we believe that the legislation should leave open the possibility of mutually advantageous arrangements being made between the central authority and individual authorities of the kind in question. One point to be noted in this context is that the State Bank is, in fact, a borrower under the semi-government programme and it is clearly appropriate that this part of its operations be subject to the advantages which this legislation will open up.

The Hon. Mr DeGaris also suggested that there ought to be a power to prescribe by regulation certain authorities to which the Treasurer will have the power to give directions. Again, I can see what the Hon. Mr DeGaris is driving at, but the Government believes that it is inappropriate, in the light of our proposed amendments to clause 16, to insert a provision such as that suggested by the honourable member. We believe that in all those cases where Government influence is necessary, in one way or another there is adequate power available to ensure that influence is brought to bear effectively on semi-government authorities in respect to their borrowing and lending policies.

The Hon. Mr DeGaris also referred to clause 18, under which the proposed authority may assume the existing debts of individual semi-government authorities. The honourable member raised the question of whether the terms and provisions of the loans after such a transfer had taken place would be the same as they were before. So far as the lenders are concerned, there will be no change in interest rates or other conditions. The only change from their point of view is that they may have a better and more marketable security.

So far as semi-government borrowers are concerned, there may or may not be changes in the terms and conditions of a debt which they will then have outstanding to the central authority. For example, in some cases it may be appropriate for the period of the loan to be lengthened. Interest rates will be based, essentially, on the overall borrowing cost of the central authority, but may be varied to meet the needs of individual authorities if the Government so desires. One of the advantages of the new arrangements will be that it will permit the borrowings of individual authorities to be tailored to their particular needs. That really has not been the case in the past.

The Hon. Mr DeGaris suggested that clause 18 (1) *(c)* could be used to alter into a loan what at present is a capital grant. That is, in fact, the position but, as stated in the explanation of clauses I gave to the Council when giving the second reading explanation of the Bill, this would permit such loans to be 'consolidated with other funding by the central authority and an appropriate total financial relationship struck between the semi-government authority and the central authority'.

Whether this particular provision will be used in practice is not clear at this time, but the Government believes that it is important to have it there to ensure that there is the facility for restructuring a number of loans by a semi-government authority to provide better borrowing arrangements for it. If it is used in the future, it will be used only in the context of an overall arrangement to rationalise the finances of an authority. It would not be used to place an unexpected and inappropriate financial burden on that authority.

The Hon. R.C. DeGaris: It could happen.

The Hon. K.T. GRIFFIN: Well, it is possible. What I have indicated to the honourable member is the intention of the clause. Of course, one has to note that in clause 18 there has always been specific provision made for consultation with the Minister responsible for each authority before action can be taken under the clause. Again, one has to recognise that a significant number of these authorities are subject to Ministerial control and direction and in several cases are constituted of the Minister as the Commissioner. I think that the Metropolitan Fire Services Commission is one such body, which, in fact, comprises the Minister only. So, there is already a great deal of Government responsibility for various statutory authorities.

The other point I want to make is that any borrowings of semi-government authorities in almost all cases have some impact on the Budget in one way or another and in that context it is important for the Government to have a significant amount of control over the borrowing programmes of semi-government authorities to ensure that the impact on the Budget is in accordance with Government policy. So, that is the context in which that particular clause is to operate.

I believe that that has answered most, if not all, of the questions raised by honourable members in their comments to this stage. If there are any other matters which need to be considered or if any comment I have made needs amplification, I can do that in Committee.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

ADJOURNMENT

At 5.52 p.m. the Council adjourned until Thursday 7 October at 2.15 p.m.