# LEGISLATIVE COUNCIL

Wednesday 15 December 1982

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

## ELECTORAL BOUNDARIES

**The PRESIDENT:** I have received the following notice from the Chief Justice:

I am required by section 78 of the Constitution Act, 1934, as amended, to appoint a judge of the Supreme Court to be Chairman of the Electoral Districts Boundaries Commission. Subsection (2) of section 78 provides that the judge so appointed should be the most senior puisne judge who is available to undertake the duties of Chairman of the commission. The senior puisne judge, Justice Mitchell, is not so available because during a considerable part of 1983, when the next redistribution must take place, she will be required to act as Chief Justice by reason of my absence on leave.

I have therefore appointed the next senior puisne judge, Mr Justice G.H. Walters, to be Chairman of the commission. I have advised the Attorney-General, the Speaker of the House of Assembly and the Electoral Commissioner for South Australia.

# QUESTIONS

## ST JOHN AMBULANCE

**The Hon. J.C. BURDETT:** I seek leave to make a brief explanation before asking the Minister of Health a question about the St John Ambulance Brigade.

Leave granted.

**The Hon. J.C. BURDETT:** The bulletin of the Ambulance Employees Association of South Australia dated 2 December 1982 states:

Inquiry into St John

The election of a Bannon Labor Government saw the fulfilment of a promise made by the then shadow Minister of Health, Dr Cornwall, to conduct a full inquiry into the affairs of the St John Council of South Australia Incorporated and in particular the running of the State's ambulance services. Full marks go to the new Minister, Dr Cornwall, for calling the inquiry early in the term of the new Government, for it is an indication that the new Government means business.

For the A.E.A. and, in fact, the community, this inquiry is perhaps the most important single event to occur in the history of St John in South Australia. Your State council has responded positively to the announcement of the inquiry, and already a substantial amount of research and compiling of data has taken place. Every possible skerrick of information is currently being obtained from libraries throughout the State and assistance is being sought by other unions operating in the area of ambulance transport throughout Australia. At this time the co-operation we have been receiving has been nothing short of magnificent.

As this will be the only major inquiry to which the A.E.A. will be able to make submissions in the foreseeable future, it is important that our submission reflects the aspirations and views of the membership and accordingly every member is invited to forward any relevant material they may wish to see included within the association's submission. Any matter, however large or small, is welcomed and we would appreciate it being delivered either by post or by hand to the association offices prior to Friday 10 December. We apologise for the rush; however, the inquirer, Professor Lou Opit, has indicated that he wishes to commence his investigations on Monday 10 January, so naturally time is short.

Yesterday I thought that the Minister said that Professor Opit had already commenced his inquiry. The important part of this bulletin is at the bottom and appears in large print. It states:

This is our one big chance to make the necessary changes to the State's ambulance services, so ensure that our effort is nothing short of complete!

What is meant by 'complete' is the abolition of volunteers from metropolitan ambulance services. It is obvious that the employees association intends to lobby very strongly and, because of the restraints on volunteers imposed by regulation, which I referred to yesterday, will the Minister, not Professor Opit, say what steps he will take to see that the volunteers are able to make a proper input into this inquiry? Yesterday the Minister said, in effect, that he was sure that the volunteers would speak to Professor Opit. The employees are obviously highly organised, as is indicated in what I have just read. To create a balance, will the Minister take up with the Commissioner for the St John Ambulance Brigade the relaxation of the regulations so that volunteers may also organise their own submission?

**The Hon. J.R. CORNWALL:** I am absolutely amazed that someone who has had Ministerial experience and is qualified in the law should quite improperly suggest that I, having set up this independent inquiry, should interfere with it. That is what the honourable member is doing. He is suggesting that I should go to one or both of the major parties involved in this inquiry and interfere. Frankly, he ought to know better, but obviously he does not.

It is no revelation to me, the South Australian Parliament or anyone else that the Ambulance Employees Association is looking for more opportunities for the professionals. Yesterday I said, as I have said on numerous occasions, that I do not want to see a situation develop where there are winners and losers.

*Members interjecting:*

**The Hon. J.R. CORNWALL:** Members opposite can chuckle, chortle and carry on in a most irresponsible way, if they wish. They have already suggested, with the full support of the late, if not lamented, Attorney-General, that I should involve myself in this inquiry. That is not on. I set up the inquiry and I am standing off at arm's length. That is the way it will continue.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. J.R. CORNWALL:** I assure the honourable member that the St John organisation is well able to direct its volunteers. As I said yesterday, the brigade and the St John Council have been given exactly the same opportunity to prepare submissions for the inquiry. Those organisations will make those submissions, and have always been completely competent to communicate with their volunteers in the past. I have no reason to think that that will change.

I appeal to the honourable member to have some sense of decorum and decency and to act in the public interest in this matter. The honourable member should stop trying to make this a political football. Frankly, the honourable member does himself and the Opposition no credit and he is certainly acting against the best interests of the people of South Australia. I ask the honourable member to have some sense of responsibility and conduct himself in the way we expect him to in the South Australian Parliament.

## VINDANA PROPRIETARY LIMITED

**The Hon. K.T. GRIFFIN:** I seek leave to make a short explanation before asking the Minister of Agriculture a question about Vindana Proprietary Limited.

Leave granted.

**The Hon. K.T. GRIFFIN:** Over two years ago, at the initial request of the member for Chaffey (Hon. Peter Arnold), I asked the Corporate Affairs Commission to investigate Vindana Proprietary Limited and associated companies. The investigations led to the conviction in early October 1982 of Mr Dennis Morgan, the principal director of Vindana Proprietary Limited, for breaches of section 124

of the Companies Act in that he did not act honestly and diligently in the discharge of his duties. Over the past two years or so, Mr Arnold has pursued the matter with me, as did the present Minister of Agriculture when he was in opposition. However, the disturbing aspect of the matter is that many growers, and particularly grower members of the Greek community in the Riverland, still believe what the Hon. Mr Chatterton was saying when in opposition, namely, that the previous Government could have done more legally than it did to get their money back or in some way ensure that their losses as a result of the liquidation of Vindana Proprietary Limited were made up by Government action. The member for Chaffey (Hon. Peter Arnold) has asked me whether I could see whether the Minister of Agriculture could clear up some aspects of this matter at the earliest opportunity. My questions are:

1. What action would the Minister have taken which he says was not taken by the previous Government with respect to the growers' losses in Vindana?

2. Would he have got the growers' money back?

3. Is there any action he will now take to help the growers who have suffered as a result of the Vindana liquidation?

4. Will he make any Government money available to the growers?

5. Will he take any action with respect to Mr Morgan's continuing in business?

**The Hon. B.A. CHATTERTON:** I have raised the question of the Vindana winery with the Attorney-General, and he has paid me the courtesy of sending me a file on the investigations into the Vindana operations. I am not sure whether this is the only file that is in the Attorney-General's office on the investigations that have taken place into that concern over the last few years. If it is the only file, it demonstrates very clearly the total inadequacy of the previous Government's actions in respect of this matter. The file consists mainly of *Hansard* proofs of the questions I raised and it has very little in terms of details of any action in trying to investigate the operations of that concern and to rectify the problems that occurred. It very clearly vindicates the statements that I have made over the last couple of years that the previous Government was very loath to act in this matter.

What seems to me to be the area in which action can be taken is the Prices Act, with the amendments that have been passed; the Vindana operation should not have taken grapes if it had not paid for the previous vintage. I have had discussions with the Attorney-General, who is also, of course, Minister of Consumer Affairs. He has indicated to me that he will ask his officers to investigate all complaints against the prices orders that were issued on grapes and to take action to try to enforce the Prices Act in that area. That seems to me to be the area in which we can prevent the Vindana operation from continuing to evade the provisions of the Act.

**The Hon. K.T. GRIFFIN:** I desire to ask a supplementary question. The Minister of Agriculture answered only some aspects of my question. Will the Minister be making assistance available to growers? Will he take any action with respect to Mr Morgan's continuing the business? Is there any other action that the Minister is going to take to assist growers?

**The Hon. B.A. CHATTERTON:** No, the Government does not intend to make money available to growers to pay for the debts that Mr Morgan has incurred. In regard to prosecutions, I certainly hope that they can be launched, but that will depend on the basis of investigations carried out by officers of the Prices Branch of the Department of Public and Consumer Affairs. If that evidence is available, I will ensure that prosecutions are launched. We intend to take as tough action as we can against these sorts of people who have been undermining the whole grape industry.

## B.P. BOYCOTT

**The Hon. L.H. DAVIS:** I seek leave to make a brief explanation before asking the Attorney-General a question on the 'Boycott B.P.' campaign.

Leave granted.

**The Hon. L.H. DAVIS:** Last Saturday, about 40 people from the Campaign Against Nuclear Energy (CANE) picketed a Parkside B.P. service station to protest at the B.P. oil company's involvement in the Olympic Dam uranium project at Roxby Downs. As a result of that action, the management closed the station at 10 a.m. In March 1982 the Labor Party published a booklet *Uranium: Play it Safe,* by Mike Rann for the A.L.P. (S.A.) Nuclear Hazard Committee. That same Mr Rann is now a key member of the Premier's staff. The committee comprises people such as Mr Bob Gregory, Mr Chris Schacht and Mr John Scott. In this booklet is a section setting out the various actions available to individuals who feel strongly about the uranium issue and, at page 31, Mr Rann states:

> Another focus for the attention of concerned citizens should be the activities of those companies who are expressing interest in the uranium industry in Australia. While it is difficult for individuals to effectively challenge the activities of multinational corporations in this country, there are things that we can do as consumers to make the point. A good example of this type of activity is the 'Boycott B.P.' campaign being run by a number of anti-nuclear groups in South Australia. B.P. is a joint partner with Western Mining in the Roxby Downs development in South Australia. The company has played down its role in the venture; indeed, has been mounting an extensive advertising campaign to portray itself as a responsible and caring corporation ('the quiet achiever') doing its best for Australia. Organisers of the campaign believe a consumer boycott of B.P.'s products is a good way of letting the company know of people's disapproval of B.P.'s uranium involvement.
>
> The first step, however, for anyone who supports the A.L.P.'s 'play it safe' policy must be to join the Party and lend their support to Labor's campaign to win election. The policy cannot be successfully implemented if Labor is not in power.

First, will the Attorney indicate whether the Labor Government supports the action that occurred last Saturday at Parkside, in view of the Labor Party's earlier and overt encouragement of picketing against B.P. service stations? Secondly, if the Labor Party no longer supports and encourages the 'Boycott B.P.' campaign, will the Government make its views on this matter clearly known to its supporters and the community at large? Thirdly, if it still supports the 'Boycott B.P.' campaign, does the Labor Government see that as being inconsistent with its new found support for the significant Olympic Dam project?

**The Hon. C.J. SUMNER:** The honourable member seems to be confusing a boycott and a picket. As I recall, there was no suggestion of picketing B.P. in the article or booklet from which the honourable member read. It referred to a 'boycott', which, quite simply, in this case involves a consumer—a person who is opposed to the Roxby Downs project or uranium mining—not making purchases from B.P. service stations. A person is perfectly at liberty to make such a decision and is acting within the law, and no-one can blame such a person for exercising his rights. The word used in that booklet was 'boycott'. That position is still open to people who are opposed to uranium mining or, indeed, to Roxby Downs.

**The Hon. L.H. Davis:** I asked whether you still support that happening, or whether the Government does.

**The Hon. C.J. SUMNER:** I thought it would have been clear to the honourable member that the Labor Government will not stand in the way of the Roxby Downs development.

That fact was made very clear during the election campaign, and has been made very clear since then, so the honourable member should be under no illusions about it. If the joint ventures at Roxby Downs desire to go ahead, the Government will not stand in the way of that development. As I have said before, that fact has been made quite clear by the Government. However, what individuals do concerning a boycott of B.P. is a matter for their individual conscience.

## STATE FINANCES

**The Hon. R.I. LUCAS:** I seek leave to make a brief explanation before asking the Attorney-General, as Leader of the Government in the Council, a question about State finances.

Leave granted.

**The Hon. R.I. LUCAS:** Prior to, and during, the recent State election campaign, the Labor Party made a large number of promises, some of which it may keep and which it costed at $29 000 000. Many people believe that the true cost of implementing those promises will be much more than that amount. In fact, Liberal Party research has costed them conservatively at about $130 000 000.

**The Hon. Frank Blevins:** Maths isn't their long suit.

**The Hon. R.I. LUCAS:** For the sake of the Hon. Mr Blevins, I point out that the A.L.P. figure of $29 000 000 could be arrived at only if a discount factor for broken promises was used. Whatever the true cost, the Labor programme will clearly have a significant effect on the State Budget. It was noticeable that a statement supplied yesterday by Mr Barnes, the Under Treasurer, did not contain a Treasury costing of the complete A.L.P. policy programme and an assessment of its effect on the State Budget position over the next three years. I quote from page 2 of the Budget review, issued yesterday, where it states:

> All of the above estimates have been made before taking into account the policies of the new Government.

The Under Treasurer goes on to point out that four election promises that the Government has taken steps to bring into effect have been costed at $7 000 000, but that the complete Labor programme has not been costed.

In defending Labor Party costings during the election campaign that Party asked to have Treasury officers prepare an independent costing. Of course, that request was rejected as it was not then a programme for Government action. However, now that these Labor promises constitute a programme of Government action, it would be perfectly proper, and indeed sensible, for such an independent costing of the total A.L.P. package to be undertaken by Treasury.

Will the Government now ask Treasury officers to undertake a line-by-line costing of the complete A.L.P. policy package (not only the promises on which it is intended action will be taken) together with an assessment of the effect of implementing such a programme on the State Budget for each of the next three years and provide that information to the Parliament?

**The Hon. C.J. SUMNER:** I am a little concerned that the honourable member has raised this matter in view of his comparative inexperience in this Council, because obviously he has not consulted with his colleagues on this very vexed question of State Government finances. Quite frankly, I have no hesitation in telling the Council that what the Liberal Government did over the past three years was absolutely disgraceful in terms of any sensible financial management. In three years the Liberal Government destroyed the revenue position of this State to the extent of $40 000 000 a year.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. C.J. SUMNER:** Then, instead of having the guts to take the hard option, the Liberal Government took the soft option.

**The Hon. R.I. Lucas:** We took the hard option.

**The Hon. C.J. SUMNER:** The Hon. Mr Lucas interjects, but I suggest that he study the position and ascertain what happened over the past three years.

**The Hon. R.I. Lucas:** Will you raise taxes?

**The Hon. C.J. SUMNER:** That option was considered in the paper which the Treasurer put forward and which was distributed quite openly for the use of the Parliament yesterday. The honourable member should obtain the Budgets for the past three years to see what the Liberal Government did in this State during that time. Each one of the members opposite went along with it. The Cabinet members went along with it, and mealy-mouthed people such as Mr Davis went along with it. There was no objection in the Party room from Liberal members about what the Government was doing.

**The Hon. J.C. Burdett:** We didn't overspend.

**The Hon. C.J. SUMNER:** The Hon. Mr Burdett says that he did not know anything about it.

**The Hon. J.C. Burdett:** I said that we did not overspend.

**The Hon. C.J. SUMNER:** I am not entirely sure whether the Hon. Mr Burdett is living in a different world from that in which I am living. I do know that the revenue position in this State deteriorated by $40 000 000 a year in the past three years. Any rational, sensible or fair-minded member of this Parliament would concede that what the Liberal Government did in the past three years was absolutely unacceptable. Quite frankly, members opposite should be hung, drawn, and quartered for their attitude to the State Budget. The only man on the Liberal side with any integrity in this area, the only person with any honesty, and the only one who can hold up his head is the Hon. Mr DeGaris, because he was the one person from the Liberal side who pointed out to the Council what the Government had been doing.

I indicated before the Parliament was prorogued what had happened to the State finances during the previous three years: $141 000 000 was transferred from moneys given by the Commonwealth or borrowed through the Loan Council for capital works to keep the State afloat. Obviously, the Hon. Mr Lucas is not aware that that occurred. I urge him to examine the figures for those three years and if, having examined them, he can honestly say that that was good financial management by the Liberal Government, I would have very little respect for him.

**The Hon. R.I. Lucas:** Are you going to raise taxes?

**The Hon. C.J. SUMNER:** The situation is as I have explained it. That was one of a number of options put forward by the Treasurer. It is quite clear that, with a $70 000 000 underlying deficit in the State budgetary position—

**The Hon. M.B. Cameron:** Most of that is yours.

**The Hon. C.J. SUMNER:** The Hon. Mr Cameron says that most of the $70 000 000 is in regard to our policies, but that is absolute nonsense. Of that amount, $40 000 000 was taken over from capital works programmes that have been taken up in this financial year, and the extra $30 000 000, which the Treasurer outlined yesterday, results from non-budgeted items in this financial year. One example is the drought: it was not budgeted for. That is quite clear.

It is also clear to anyone who has looked at the facts objectively that there has been an underlying budgetary deficit in this State for three years, despite the fact that in its first Budget the Liberal Government was able to transfer $15 000 000 from revenue to capital, in other words, to prop up construction activities in this State. In the following three years, to the end of this financial year, $141 000 000

will have been transferred the other way. Surely that should have been obvious to any member of the Liberal Party who was active in the Party room, but there was not a squeak from any of them. Liberal members went along with their front-benchers in what was quite simply a gutless option. They took the soft option in the past three years: there can be no question about that. The Liberal Government allowed the revenue to deteriorate.

**The Hon. R.I. Lucas:** With tax cuts?

**The Hon. C.J. SUMNER:** That is right, when they could not afford them.

**The Hon. R.I. Lucas:** You're going to increase taxes.

**The Hon. Anne Levy:** It was tax cuts for the wealthy.

**The PRESIDENT:** Order!

**The Hon. C.J.SUMNER:** I am somewhat concerned that a member, who I think has a degree from a university, a young member who, I would have thought, would not have such incredibly bigoted views in his first few days in the Parliament, should take this view. Really, it is a serious matter, and I am surprised that the honourable member is treating the issue with this sort of frivolity. I wish that he would tell me at some time whether, if he had been here, he would have condoned that sort of Budget management. The fact that $140 000 000 was transferred—

**The Hon. L.H. Davis:** Tell us what you would have done.

**The Hon. C.J. SUMNER:** First, there was a revenue base. I do not believe, as I said before the election, that succession duties had to be abolished in the way in which they were abolished: they could have been phased out. It was quite irresponsible of the Government to allow the revenue side of the Budget to collapse totally and instead of taking a hard option and either deciding to cut the public sector, (which was what Liberal Party rhetoric provided) or finding some other mechanism to increase the revenue—instead of taking on either of those hard options—the Government stated, 'We will shuffle the funds from capital works to revenue and we will keep the State afloat in that way.'

That action had an incredible number of side effects. First, it meant that $141 000 000 was not directed into the economy for construction works and employment, which I believe was very significant and should not have happened. Obviously, that action had a negative effect in terms of employment—that was the major effect of the move. Quite frankly, I was surprised that members opposite were allowed to get away with it. As I said, the Hon. Mr DeGaris pointed out the facts, as did members on this side, and it was really a major scandal in terms of State Government finances. For instance, I was surprised that there was no serious analytical discussion of that action in the press. The issue was raised, but no-one seemed to take it up. I raised the matter again in the few weeks before the election that has just been held.

So, whatever Government had been successful at the election at this point in time would have had to confront an underlying deficit of at least $40 000 000 and possibly more. That sum has now blown out without the implementation of any programmes to $70 000 000.

**The Hon. M.B. Cameron:** You shouldn't have made the promises.

**The Hon. C.J. SUMNER:** The Liberal Party made promises, which it costed at $13 000 000 or thereabouts. Having done that, a Liberal Government would have had to make those payments on top of an underlying deficit of $70 000 000.

All one can say is that the Liberal Government's device that was used over the past three years should have been unacceptable to the Parliament. It was pointed out. I am surprised that the Liberal Government was able to get away with it in the public eye and in the Parliament. As I say, the only person with any honesty and credibility about the matter is the Hon. Mr DeGaris. Regarding the Hon. Mr Lucas' question, I suspect that those calculations are under way within the Treasury and, in due course, they will be completed.

## TRANSPORTATION OF COFFINS

**The Hon. ANNE LEVY:** I seek leave to make a brief explanation before asking the Minister of Health a question regarding the transportation of coffins.

Leave granted.

**The Hon. ANNE LEVY:** I am sure all members will recall that a few weeks ago considerable publicity was given to the fact that three deceased persons had been transported to South Australia in the chilled section of a road transport vehicle which also contained food. The Minister of Health indicated at the time that he would request that an investigation be made into this matter. Has the Minister had any results from his investigation of which he can inform the Council?

**The Hon. J.R. CORNWALL:** Yes, I have a fairly comprehensive interim report. On 18 November 1982, the Director, Health Surveying Services, South Australian Health Commission, received telephone advice from the Chief Health Inspector, New South Wales Health Commission, that a vehicle containing a refrigerated load of food *en route* from Sydney to Adelaide also contained three human bodies.

Health Commission and Metropolitan County Board health surveyors inspected the vehicle on the morning of 19 November and found that it contained three coffins, as well as food products. The van was divided into two parts, one being the portion for frozen foods and the other part for chilled foods.

The coffins were contained in the chiller part of the van, being bounded on one side by the rear door of the van and on the other sides by one batch of food product. This product was wrapped and then contained in open plastic baskets. The other foods in the chiller compartment were substantially packaged and isolated from the coffins and were unaffected.

The bodies were those of New South Wales people—an 18 year old male, an 80 year old male and an 83 year old female whose deaths occurred on 12 November 1982, 31 October 1982, and 29 October 1982, respectively. The bodies were cremated at the Enfield Crematorium on 18 November. The time that elapsed between death and cremation was seven days, 19 days and 21 days, respectively.

Scanno Pty. Ltd., trading as Clark Refrigerated Transport, transported the bodies on behalf of Simplicity Funerals. The bodies transported by Simplicity Funerals from Sydney to Adelaide were satisfactorily encoffined. The cause of concern was the decision of the transport company to include the bodies with food, not the manner of encoffining.

A review of relevant legislation to determine whether or not it is adequate and, if not, what changes may be necessary is in progress. A preliminary assessment of applicable legislation currently existing is as follows.

Section 35 of the Food and Drugs Act provides for the seizure of food that is unsound, unwholesome or unfit for human consumption. When the food is utterly unfit and needs to be destroyed to prevent offensiveness or disease, it can be destroyed forthwith on the authority, in writing, of a justice. In any other circumstances the food is to be kept and proceedings to be taken forthwith before a Special Magistrate or two justices for an order for destruction. Because of the complexity and cost of these procedures it is common custom to negotiate with the owner of the food that it be withdrawn from sale and not used for human

purposes or destroyed. The cost of this action is borne by the owner of the food.

In addition to the disease conditions, foreign matter contamination, decomposition or adulteration of food, it is held that, because of the many emotive, religious and other beliefs held by many in the community, the transport of food in close proximity to coffins containing bodies would render the food unfit for human consumption.

The Food and Drugs Regulations (4.2 *(c)* and 7.16 *(b)*) provide for protecting meat and other foods from any forms of activities that may render the food unfit. However, these provisions relate to the persons that deposit, keep, prepare, transmit, sell or expose and not to transport operators who are carrying on a transport business and not a food business.

It is my understanding that it is a long-standing practice to transport bodies intrastate, interstate or overseas to meet the wishes of the deceased or the next of kin. Bodies are normally transported by undertakers or transport companies in accordance with the internal requirements of the company or the receiving country. The method of transport varies as to whether they are transported with ceremonial pomp and circumstance or whether the body or coffin is overpacked and then shipped as cargo. The main criteria seem to be that bodies are accorded the decorum that the next of kin and society expects and that they are contained so as to prevent offensiveness.

The bulk of interments are carried out quickly, and it is estimated that within Australia there are about 3 000 interments annually that involve repatriation.

Underlying this episode is the ill-feeling that exists between the Funeral Directors Association and Simplicity Funerals. Simplicity Funerals, as a newcomer to the business, has significantly disturbed the previous traditional business arrangements by providing cheap funerals. This is evidenced by the tenor of the advertisements, press statements and letters to the Editor emanating from the association or its members.

There is no doubt that there are matters that concern funeral directors, such as identification of bodies, design standards for coffins, high capital investment versus low capital investment, holding of bodies and preparation of bodies. Some of these matters are the province of the Attorney-General.

The Food Inspection Branch of the New South Wales Health Commission advises that action against the road transport company has been recommended. Their legislation is wider than that existing in South Australia. Also, that closer attention is to be paid to the other goods transported with foods to prevent a recurrence of the episode. They advise that the decision to transport the bodies with food was solely the decision of the transport depot manager.

I should also state that it has been confirmed that Simplicity Funerals is having difficulty in arranging cremations in New South Wales because of industrial disputation and activities. I understand that Simplicity Funerals has instituted proceedings in an attempt to resolve that. In this instance it seems clear that the bodies involved were those of New South Wales persons and that they were transported to South Australia as a matter of convenience. We hope that, as a result of the publicity and with the review of the legislation which is under way, there will never again be a recurrence of this unfortunate episode.

## DEINSTITUTIONALISATION OF PSYCHIATRIC PATIENTS

**The Hon. R.J. RITSON:** I seek leave to make a brief explanation before asking the Minister of Health a question concerning the deinstitutionalisation of psychiatric patients.

Leave granted.

**The Hon. R.J. RITSON:** In recent years there has been an increasing trend towards the deinstitutionalisation of psychiatric patients, brought about, partly, through the use of modern anti-psychotic drugs, partly by the operations of the Guardianship Board (which was formed as a result of amendments to the Mental Health Act introduced by the Government some years ago) and, partly, with the increased attention that has been paid to patients' civil rights.

Many patients who are neither legally insane nor in need of inpatient medical treatment are either being discharged or refused admission to hospitals. The hospitals themselves are increasingly seeing their task as that of providing professional treatment to people with remedial conditions and perhaps somewhat less enthusiastically as providing accommodation, care and protection to people with organic brain pathology.

As a result of the trend towards deinstitutionalisation there is developing in society an increasing pool of people who are sane and do not need inpatient care but who, nevertheless, have difficulties with socialisation, social behaviour and personality problems.

They are forming a group of people who are causing great worry to social workers, the police, and the Department of Correctional Services. I think it was Mr Justice Jacobs who made some remarks in the press recently about just such a case. Prior to the last election, I received a lobby from people representing a group of concerned social workers. I wrote to the former Minister and conveyed to her some material and a request for a multi-disciplinary working party to be set up to look further into what might be done about this problem. I received an acknowledgement, and later a statement, from the former Minister, that the working party had in principle been agreed to. I believe that the present Minister probably by now has had his attention drawn to that file. Does the Minister consider that the proposals, which he will have on file, have merit and does he propose to give some encouragement to the formation of such a working party?

**The Hon. J.R. CORNWALL:** The matters raised by the Hon. Dr Ritson are of considerable concern to me as Minister of Health. The Hon. Dr Ritson would know that this grey area, if one can call it that, poses many vexed questions. I am sure that he would not want the Government to go back to the dark days that existed a decade or more ago. Although there have been some hiccups and difficulties with the working and administration of the new Mental Health Act, it is generally regarded as being a model by people throughout Australia. I certainly have no intention of interfering with it in any major way, and I do not think that any reasonable person in this Parliament or in the community would want the Government to do so. We have, as the member would know, hostel accommodation for about 600 psychiatric or former psychiatric hospital patients in this State. Those hostels do a first-class job at a very reasonable price. Certainly, they are not Hilton hotels, but they provide basic food and shelter in a reasonable environment.

With particular reference to psychiatrically disturbed women—and that is the matter to which he is referring, I believe—it is true that this matter was brought to the attention of the public and of the previous Minister some months ago. There was a submission, primarily from the women concerned with running women's shelters throughout the State, which referred primarily and principally to the class of patient or former patient who does not fit easily into any of the systems. They are certainly not considered to be patients who should be certified and committed to our psychiatric hospitals but, on the other hand, their behaviour is considerably outside the mean distribution of what is considered normal and what can usually be coped with. The

people conducting the women's shelters were concerned that when these women sought refuge, as they frequently did, it was enormously disturbing to other people in the shelters and to the staff trying to conduct them. As a result of those representations calling for a shelter for psychiatrically disturbed women, the previous Government appointed a working party, and the report of that working party is now available.

Consideration was also given to the setting up of a special shelter for a class of males with specific behavioural problems. The report and recommendations with regard to females have been completed. I have forwarded them already to the Minister of Community Welfare for consultation and for consideration of joint action between the two of us; that, of course, will ultimately result in a submission to Cabinet. I am also pleased to tell the honourable member, because I can see that he is sitting there with rapt attention, that further investigations are continuing with regard to the possibility of providing a shelter for that class of men who do not fit into those categories for which society is currently catering. In other words, they are not suitable people to be patients in our psychiatric hospitals; they are not catered for by the existing psychiatric hostels; they create very substantial difficulties in the refuges for men around the city, particularly those of St Vincent de Paul—so much so, that volunteers have said that they will not be able to carry on unless alternative accommodation is found. The short answer is that investigations have been completed. I have forwarded the report to the Minister of Community Welfare, and we will see what can take place from there. At the same time, I have asked for further investigation with regard to males with behavioural abnormalities outside the arrangements that exist for either class of people.

## BARLEY

**The Hon. H.P.K. DUNN:** I seek leave to make a brief explanation before asking the Minister of Agriculture a question about the sale of barley.

Leave granted.

**The Hon. H.P.K. DUNN:** I raise this matter now because a case occurred just recently because of the harvest period. A constituent from my area contacted me with what certainly seems to be an anomalous situation with regard to the transfer of barley from one grower to another. He applied to the Barley Board for a permit to sell barley to his brother on the adjoining property. The permit was granted, and the barley was delivered to his silo. However, the Barley Board stipulated that his brother must pay full market value, namely, $142 a tonne, to the board. It would pay the grower only $112 a tonne, this amount being arrived at by deducting the freight from Port Lincoln, $13.50, and administration charges, $6.50, neither of which was incurred. Section 19 of the Barley Marketing Act, 1947-1973, clearly states:

1. The Board shall pay the owner of any barley sold to it the prices of that barley as determined by the board.
2. In determining the prices to be paid for any barley the board shall take into account ..... *(b)*, the expenditure that the board has incurred or estimates that it will incur ...

The incident has the following result. It takes the freight from the seller and credits the buyer—in this case, $13.50. If the buyer does not wish to credit the seller privately, the seller is the loser. This action may cause growers and users to trade privately outside the Act as it stands. Will the Minister assist me in rectifying this unjust situation?

**The Hon. B.A. CHATTERTON:** Certainly, I will have the matter that the honourable member has raised investigated, and I will ask the Barley Board to prepare a report on the matter. This sort of situation is occurring this year because there is so much trading of this kind because of the requirements of the Federal subsidy on fodder and the need to purchase fodder and, therefore, to acquire the 50 per cent subsidy.

The matter that the honourable member has raised appears to be anomalous, in that such charges are levied on transactions but, in fairness to the board, I shall obtain a report for the honourable member to see whether the board has an explanation.

## GOVERNMENT FINANCES

**The Hon. R.C. DeGARIS:** I seek leave to make a brief explanation prior to asking the Attorney-General a question about Government finances.

Leave granted.

**The Hon. R.C. DeGARIS:** I was interested in the Attorney's reply to the question asked by the Hon. Mr Lucas. It is true that in the last three Budgets about $141 000 000 of Loan funds was transferred to balance a Budget deficit. The Government knew that—

*Members interjecting:*

**The Hon. R.C. DeGARIS:** That is true. The Government knew that, as did the Opposition. The Government in its policy speech said it would increase expenditure but would not increase taxes. Does the Government expect to be able to implement this policy? Secondly, does the Government intend to continue the absorption of Loan funds in its three years of office? Thirdly, if the answer to my earlier question is 'Yes', for how long can Loan funds be so absorbed before a position is reached where no Loan funds are capable of being used in this way?

**The Hon. C.J. SUMNER:** I thank the honourable member for his question. As I said earlier in answer to the Hon. Mr Lucas, who has not been in this Council as long as the Hon. Mr DeGaris, it was only the Hon. Mr DeGaris on the Liberal side who was not willing to toe the Party line in connection with the extent to which the revenue base in this State has deteriorated. He pointed out to Parliament and the public, as we did, just what was happening. All I can say now to the honourable member is that the State Budget situation is extraordinarily difficult because, as I said before, the former Government was simply not willing to make any hard decisions on this topic when, I suppose, it thought it had a chance of winning the last election.

It took the simplest soft option available to it, which was the transfer of capital funds to prop up the Revenue Budget. Obviously, it would not be possible to turn that situation around in one Budget, even with a most dramatic increase in taxation which is certainly not contemplated. An immediate injection of funds from the Commonwealth does not look likely at the moment but may become increasingly likely if more and more States find themselves in the position that South Australia is in. In the absence of an injection of Commonwealth funds to the States, it is clear that that transfer of capital works moneys to keep revenue going is not a situation that can be turned around immediately. I am not in a position to say when that can occur. Clearly, that matter will have to have further consideration.

As honourable members know from the public statements that the Treasurer has made, a Budget review is presently going on within the Government to assess priorities and to determine whether there is a need for an alteration in the direction of the Budget and whether there is a need for a mini Budget early in the New Year. Furthermore, the Government intends to institute an inquiry, and that was promised before the last election, into the taxation base in South Australia and the options that are available.

*The Hon. J.C. Burdett interjecting:*

**The Hon. C.J. SUMNER:** Obviously, the Hon. Mr Burdett did not read the Labor Party election policies. It is an inquiry into the revenue and taxation options available to the State. That promise was made before the last election and was clearly contained in our policy document. The Budget review will continue and, when Parliament resumes next year, there will be some indication to Parliament of what that Budget review has brought about. The inquiry into the possibilities available in South Australia in regard to taxation is a much longer-term project. Until that situation has been clarified it is not really possible to give an answer to the honourable member. Certainly, I think it would be impossible overnight for any Government to turn the situation around that has developed in the last three years.

## REMUNERATION CONTROL BILL

**The Hon. M.B. CAMERON (Leader of the Opposition)** obtained leave and introduced a Bill for an Act to freeze levels of remuneration throughout 1983; and for other purposes. Read a first time.

**The Hon. M.B. CAMERON:** I move:

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

It would be rare, if not unique, in the history of South Australia that a Premier has shown himself so incapable of holding that high office within just four weeks of taking office. If ever there was a time for leadership in this State, it is now. If ever there was an opportunity for someone to take control of the State and lead it, it is now. The Premier has failed that test. Tough times require tough, decisive and committed leadership. Today's economic climate demands action from this Government to protect and create jobs and, as Government members said so often during the election campaign, that is what they intended to do.

A wage freeze is part of that action, yet our Premier has dithered and dithered day by day. His true substance has been revealed for all to see, his policies are being shown for what they are, and his control over the Labor Party is clearly weak. The unions' control over the A.L.P. is clearly overwhelming and it is clear that, day by day, our Premier wanders to Trades Hall to see whether or not today will be the day. The Opposition has introduced this Bill because the Government has failed to act. At this time legislation has been debated in the Commonwealth Parliament for a 12-month wage freeze in the public sector. This move has the support of the Australian Democrats and it will pass. In what sort of situation does that leave South Australia? We still have not made a decision on what we are going to do. We do not know where we are going or what the Government is going to decide on our behalf. Such indecision has gone on long enough in this State. Last week the Opposition indicated that, if the Government was not willing to take action, we would, and we have.

We have introduced this Bill and our Notice of Motion and I trust that debate is proceeding on this matter in the Lower House. We are prepared to give a lead in this matter no matter how unpopular it may make us. More than a week has passed since the Premiers' conference discussed the pay freeze, and other States have acted. In that time we have not acted. Our Premier has gone off and talked and talked and talked. The time for talking is over! The Opposition is not going to sit back and allow this Government to sell this State out to the trade unions as a pay-off for their electoral support. We believe that it is the interests of the people of this State that must be protected.

By not falling into step with the other States, South Australia's economic position will be eroded and many more people will lose their jobs as a result. Continuing rises in wages will mean that costs to South Australian consumers and costs to national and international customers of our industry will continue to rise. We will price ourselves out of jobs and markets unless someone acts quickly and decisively. If we do not act, I predict that within three months of this action being taken in other States we will be forced to act. What a terrible situation that, through a lack of leadership, we are going to sit back and wait until it is forced upon us. It is incredible weakness and dithering on the part of the Premier that has caused this. All other Premiers have taken some steps. The Victorian Government has frozen charges in its move to implement a six-month pause. The New South Wales Government will immediately apply the pause to the public sector. The West Australian Government has given a commitment to a 12-month pause and will recall Parliament if this cannot be achieved voluntarily. The Queensland Government has given a similar commitment. In Tasmania, the Government is seeking a 12-month pause and also plans a freeze on Government charges.

In South Australia, however, we have not yet heard from the Premier a clear and unequivocal commitment to any form of pause, nor do we have any indication that he is prepared to legislate for such a pause, even if he does not achieve agreement. The essential first step in any wage pause must be a hold on all wage and salary increases in the public sector. While the Premier's reluctance to take even this action is understandable because of the favours he owes the Public Service unions, which campaigned for the Labor Party at the last election, now is not the time to set that ledger straight. Now is the time for strength in leadership. Now is the time to put South Australia first.

An effective wage pause in the public sector over the next 12 months could save the Government more than $50 000 000, which could be used to allocate work to private sector building and the construction industry to create more jobs. It could also be used to limit rises in State charges, some of which we have seen already—it did not take long. Firm and positive action by the Parliament needs also to be taken to cover the private sector jobs under threat so that many jobs now under threat can be retained and more created by the cost savings. There is already a pay freeze in place for many people in the community because they are out of a job. The Hon. Mr Bruce holds up a newspaper—he has held it up at the right time. Many other people are on a four-day week so they, too, are already suffering from a pay decrease.

**The Hon. G.L. Bruce:** Freeze.

**The Hon. M.B. CAMERON:** Not a freeze, but a loss. I draw that to the Hon. Mr Bruce's attention. If he has any feelings, he will do something about it. In his election policy speech the Premier said that in Government his major goal would be to get South Australians back to work in a productive way. No action to honour that promise would be of more benefit to South Australia and South Australians than the proposal we are now introducing. To set an example to the rest of the community, we propose to add to this Bill in a move to freeze the salaries and allowances of all members of Parliament. I am sure that that move would have the support of the Hon. Mr Bruce.

We all accept that economic times are tough. Unemployment is high and still rising. Our ability to compete and to win markets for our industries so that more people can be employed is under threat. No sector of the community can be selfish. No particular group of people must be allowed to force its will and way on the rest of the community. The Premier is clearly afraid to move on this issue without the consent and approval of the union movement. We have provided him and the Government with the means to do

so. The Premier still talks of a voluntary pause, yet some of the most powerful unions in the State have already made it clear that they are opposed to such a pause. Now he says that the Public Service unions will tell him of their decision on Thursday. He must be deaf, or blind, as well as being a ditherer, because the Public Service unions have already made their decision clear—they have already said that they will oppose it. They have said that so often that the Premier must be absolutely blind not to have seen it. It has certainly been said publicly many times.

It is clear that the Premier is still trying to achieve something from the unions that is not available from them. They are clearly opposed to a freeze and will continue to be so opposed. For the Premier to continue to visit Trades Hall is a waste of time. What we need is some decision from him. An article appeared in the *Advertiser* which is the most amazing article I have ever read, in question and answer form, from a Premier of this State during the time that I have been in politics. If anybody gained any idea of what the Premier really thought about this matter they must be better at gathering impressions than I am because he did not know himself.

In the introduction it was indicated that two reporters were seeking to clarify the issue of the pay freeze with the Premier. At the finish of the interview I think that they were probably as confused as I was because the interview did not help. I will quote some of that interview. The question was put to the Premier:

What is the package you want to put?

His answer was:

The package I want to put together is the same package as was advocated before the conference by the three Labor Premiers, one of the components of which would be a wage pause—a conditional wage pause.

The question was asked:

What are you hoping to achieve?

The answer was:

What I am hoping to achieve is wage restraint.

Yet, further on, he was asked:

What is your package? How are you going to achieve wage restraint? How is it going to work specifically?

His answer was:

That will emerge in the next week or so.

Last week it was going to be Tuesday of this week; this week it was going to be Thursday; today it is going to be a week or so. I think that the Premier expects us to keep on believing him day by day. Later in the interview he undermined his earlier statements when he was asked this question:

But you discussed things with them (the unions and employers) before you went to Canberra, so you should have known what they were prepared to accept.

The Premier answered:

I did. The three Labor Premiers put a precise proposal to the conference. The Commonwealth would not agree to that proposal and as a result bets were off. Therefore, those discussions I had, in a sense, have become redundant.

What he is doing now is having a discusson on a package that has become redundant. I do not quite follow what he means, but I am sure that when he reads the article he will come to the same conclusion, that he could not quite follow what he said, either. He is talking about a redundancy proposal that he now regards as not being useful.

The Premier has consistently said that nothing can be achieved without consultation and consensus, yet in this article he says that action will have to be taken even if he cannot get agreement. In that case, why is he stalling? He was asked:

Are you confident you can get a package?

He replied:

It is too early to say. If we do not we will just have to take action.

How is he going to take action? What action? The Parliament will not be sitting. Is he going to recall us for the purpose of taking some action on Christmas Day, next year, or when is this action going to take place? We do not even know whether he is prepared to take action because he has not said yet, and because he said, 'If we do not, we will just have to take action.' I do not know what that means. I imagine that he has to take action. The way he can take action is through this Parliament. He was asked:

What sort of action?

This is where it becomes very confused, because his answer was:

I am not prepared to say at this stage, but I would stress that in anything we did we would have to be working in co-ordination with what was happening in the rest of Australia. South Australia cannot stand alone. But I hope it will not come to that.

If he wants to act in co-ordination with the rest of Australia he can make a good start today because a similar measure is being debated in the Commonwealth Parliament. The only difference is that the private sector will not be included. He was further asked:

But, covering that contingency, what would you do?

His answer was:

I'm not prepared to speculate . . .

That is dead right: he is not prepared to speculate, because he has not given anything to the community whatever. The Premier was further asked:

Do you know, have you given any thought to it?

He stated:

Of course I've given thought to it.

Further, he was asked:

Do you think you can make anything work without consensus?

His answer was:

We'd have to, wouldn't we?

What will the Premier make work without consensus? That is the only thing he can do. He has been very inconsistent on this matter. The Premier was further asked:

So you don't believe in public scrutiny and speculation?

He stated:

Not in terms of the nitty-gritty about what I'm negotiating with people, definitely not, because it will mean the whole process will fail.

*The Hon. R.J. Ritson interjecting:*

**The Hon. M.B. CAMERON:** To me, this is starting to sound like a spy film. There are secret negotiations on matters that we and the public cannot know about, but like good children we will be told eventually. The Premier was further asked:

You could at least say these are the specific points we are looking at.

His answer was:

How? I mean, I am supposed to be representing the people. I was elected by the people and I see my brief as representing the community and people so they know exactly what's going on because I've been made their representative.

I do not know how we can know what is going on when the Premier has not said a word. I am pretty good at mind reading from time to time, but I cannot read the Premier's mind, and I am sure that no-one else in the community can read his mind. How on earth are we supposed to know what the Premier has been thinking just because he has been made our representative? That would have to be the most stupid statement I have ever heard from a politician, and I am sure that it was reported accurately. The reporter felt the same way, because he said that the fact that the Premier is the representative does not mean that the people know what is going on. The Premier stated:

Well, if you can tell me what is a productive way to involve people, I would be happy to consider it.

He was told that people will learn what is happening through the press and that the press does not have enough information. The press is a bit like us: members of the press do not have the information, because they have been told nothing. Enough of that. That was the worst thing I have seen from the Premier and it reinforces what I said earlier—the Premier would have to be in the worst position of public standing of any Premier after only one month of office. The Premier was totally inconsistent. He stated that a 12-month wage freeze would not work and that a six-month wage freeze with orderly resumption of increases was required. He stated that a wage freeze will not save money, because most of the financial year increases have already been approved and backdated for the State's public sector.

That makes clear that a six-month wage freeze, which covers only this financial year, would be worthless. There would be no savings, according to Mr Bannon, and therefore no funds for capital works. That is why a 12-month wage freeze is required. Under a 12-month wage freeze, substantial State savings could be made (to the order of $40 000 000 to $50 000 000), because the State would not have to put that money into the round-sum allowance. This sum could then be spent on capital works or to reduce the deficit.

The Premier has been totally hypocritical. He stated that money would be made available for welfare housing and that the $100 000 000 was part of the $300 000 000 which would become available as part of the legislated 12-month freeze on the wages of Federal public servants. Of the $100 000 000, $8 800 000 would be allocated to South Australia. The State Government, through its Minister of Housing, indicated that that money 'would be gratefully received'. The State Government is clearly willing to accept money that will come as a direct result of a Federal public sector wage freeze, which will be legislated for 12 months. The State Government opposes making similar funding available by its own action in this matter. In fact, it states that it will oppose the Commonwealth's 12-month freeze in the Conciliation and Arbitration Commission, but it still wants the money that will come from that action, and that is an amazing set of circumstances. It is blatant hypocrisy for the Government to say and do that.

Why do we need a wage freeze? The deteriorating economic position of the State and nation is clear to everyone. Unemployment is at the highest rate in 40 years. Profits have consistently declined in the past 10 years or so, and unemployment has grown in almost direct correlation to that fall. In the past three years in particular, we have seen a massive wages spiral. In the 12 months to September 1982, average weekly ordinary time earnings have risen by 17½ per cent, or 5 per cent in real terms. Productivity has not increased at all. Profits have fallen by 13 per cent. Therefore, wages have risen in real terms but output per worker has not increased. This cannot go on forever. Workers are pricing themselves out of the market, and that is what higher unemployment results from.

The A.L.P. appears to believe that making a profit is a vice. The thing is that the real vice is not making a profit, because that is what causes unemployment. The Premier says that he is looking for a consensus on a wage freeze—he was looking, he is looking, and he will continue to look for a long time, because obviously he will not make a decision. There is overwhelming support for a wage freeze.

The trouble with the Premier is that his form of consensus requires the approval of the trade union leaders, and he will not obtain that. That is clear to everyone. If it were only the employer groups which were opposed to a freeze, I would predict that Mr Bannon would not hesitate to act in what he would claim was the public interest. He would ignore the employers, but he cannot ignore the unions. Opinion polls indicate that support for a wage freeze is overwhelming. The Gallup Poll shows that, of all Australians, 65 per cent want a freeze and 58 per cent of A.L.P. voters want a freeze, so if the Premier is worried, he even has the support of his own people.

*The Hon. J.C. Burdett interjecting:*

**The Hon. M.B. CAMERON:** That is right. People, including trade union members, want a freeze. They have to, because to obtain a majority, a fairly large proportion of trade union members must be involved. The men and women on the shop floor, in the offices and in the factories, and the employers want a freeze; the Opposition supports a freeze. The Government does not know the facts. The union leaders want a freeze. The Government should not want to be out of step with the community and it cannot afford to be out of step with the trade unions. We are giving the Government the opportunity to negotiate with strength.

The Government does not have to proclaim the legislation if it reaches a negotiated agreement, which it claims it is attempting to achieve. But it will have a firm base on which to negotiate. It will be able to let the people know exactly what the end result will be if it fails to reach agreement. That is the important point. Why? If the Bill passes this Council and the other House, that does not mean that it must be proclaimed, but it does mean that the Premier will have a firm base on which to start. I trust that the Government will allow time for debate on this matter, because I believe that it is very important.

As everyone knows, this Council rises on Thursday. I trust that the Government will be reasonable and allow debate to continue on this matter, and I will take up the matter further at a later stage. This Bill has been introduced in the other place, but whether a debate has been allowed there I do not know. The Government is so embarrassed by this matter that it is possible that it has ignored the request for a debate. We introduced the Bill in both Houses at the same time to ensure that the debate would not be held up, and I trust that the Government now understands the reason for that procedure.

*The Hon. C.J. Sumner interjecting:*

**The Hon. M.B. CAMERON:** The Attorney-General implied yesterday that I did not know the procedures of the Council. Let me assure him that I do know the procedures: I knew that I had to give notice for the debate today, and there were difficulties associated with that. This Bill was not introduced earlier, because we did not want to interfere if the Government was reaching a decision. However, when the Government clearly did not make a decision on Tuesday as indicated, we decided we had to do something to ensure that we had the right to debate this issue and to bring forward a positive move before the Parliament ceased sitting.

Clause 1 is simply a formal clause giving the title of the Bill. Clause 2 provides the definition of a number of terms contained within the Bill. Clause 3 prevents the Parliamentary Salaries Tribunal from being called together in 1983. Clause 4 prevents any judicial or administrative act that would raise wages, salaries or allowances in either the public or private sectors during 1983.

**The PRESIDENT:** The Hon. Mr Davis.

**The Hon. C.J. SUMNER:** Mr President, that is unprecedented. It is normal procedure for the opposite side to be given the opportunity to adjourn the debate and, in accordance with normal practice, I move:

That the debate be now adjourned.

Motion carried; debate adjourned.

## BUILDERS LICENSING ACT AMENDMENT BILL

**The Hon. J.C. BURDETT** obtained leave and introduced a Bill for an Act to amend the Builders Licensing Act, 1967-1981; and to repeal the Defective Houses Act, 1976. Read a first time.

**The Hon. J.C. BURDETT:** I move:

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

It introduces a compulsory building insurance scheme to indemnify consumers for losses sustained where the builder with whom they have contracted dies, disappears or becomes insolvent. The need for the establishment of a building indemnity scheme has been recognised for many years.

In 1974 the Legislative Council passed amendments introduced by the Hon. Murray Hill to insert a new Part IIIc of the Builders Licensing Act, 1967-1980, entitled 'The Building Indemnity Fund', to protect consumers against financial loss caused by builder insolvency or for any other reason. Part IIIc has not been proclaimed and is repealed by this Bill. In 1975 the South Australian Homes Insurance Scheme Committee presented a report concerning the introduction of a compulsory scheme which was different from the scheme set out in the Act.

I acknowledge the role of the Housing Industry Association in this area. In 1977 the association, in conjunction with its subsidiary, Housing Indemnity Australia Pty Ltd, introduced a voluntary insurance scheme designed essentially to cover financial loss to consumers arising from defective workmanship and materials or financial failure of a builder.

I believe that, because of the substantial number of home owners who have suffered loss as a result of the collapse of home builders over the past few years and the uncertain future of the industry, compulsory indemnity is necessary. A further scheme was developed by the Department of Public and Consumer Affairs in consultation with all interested parties.

The three schemes mentioned, as well as interstate and overseas schemes, have been examined in detail, but none is entirely suitable for practical and administrative purposes. The Part IIIc scheme, for example, has, among other disadvantages, the fact that it is limited in its application to building defects that occur within one year. The scheme contained in the Bill attempts to encompass the most desirable features of all the other schemes. The thrust of the proposed indemnity scheme is that it will cover consumers against financial loss only in those situations where there is no other avenue of redress under either Statute or common law.

As the indemnity scheme is to be a statutory requirement, some Government supervision is necessary in order to ensure that the scheme operates in the public interest. However, Government involvement is to be kept to a minimum. It is proposed that the premium offered by insurers meets certain criteria which will be spelt out in regulations. These criteria should be developed in conjunction with the industry and will ensure that premium levels are not excessive and reflect claims experienced over a period of time. Insurers will be free to settle claims, within the parameters of the criteria in the regulations, to collect premiums and invest premium income. Investigation of claims is to rest with insurers to avoid any duplication of resources between insurers and the Department of Public and Consumer Affairs, given that insurers have the necessary expertise. However, the Commissioner for Consumer Affairs will continue to perform a conciliation function on building complaints, including disputes that may arise between a consumer and an insurer.

The Bill also provides for the repeal of the Defective Houses Act, 1976. For some time there have been submissions that the Defective Houses Act requires amendment and that its provisions should be incorporated in the Builders Licensing Act, 1967-1981. The opportunity has now been taken to do so and to rationalise the legislative requirements affecting builders. The protection afforded by way of the warranties to the purchasers of new houses which previously existed under the Defective Houses Act has been incorporated in this Bill. However, the provisions have been extended to cover consumers who purchase an established house from a builder so that, in the case of a builder who has renovated a house but who has failed to carry out domestic building work in a proper and workmanlike manner, or who has failed to use good and proper materials, the purchaser, or any subsequent purchaser within five years after completion of the building work, may rely on the statutory warranty provisions to pursue a remedy. A definition of 'builder' for the purposes of Part IIIc has been inserted in the Bill.

It is important to recognise that the warranty and indemnity provisions of the Bill are separate. Even in those cases where indemnity is not compulsory consumers will be able to rely on the statutory warranty provisions provided that they, and the building work, fall within the definitions contained in that part of the Bill. The opportunity has also been taken to rationalise the statutory warranties which apply to builders under the Consumer Transactions Act. A Bill to amend that Act is also to be introduced. The effect will be that all statutory warranties which affect building work that falls within the definition of domestic building work in Part IIIc of the Builders Licensing Act will be found in that one Act (apart from those warranties which exist pursuant to the Federal Trade Practices Act).

The opportunity has also been taken to repeal section 2 (2) of the Builders Licensing Act which presently restricts the operation of the Act from those areas of the State outside the jurisdiction of the Building Act. This will ensure that the statutory warranties in Part IIIc of the Builders Licensing Act and the indemnity scheme apply throughout the State.

Clause 5 of the Bill introduces the compulsory indemnity scheme. The scheme is to apply to domestic building work, as defined, which is carried out by the holder of a general builders licence or a provisional general builders licence. Provision has been made for certain building work to be excluded by regulation. There will be cases when insurance cover is not available and further consultation will be necessary with the insurance industry to examine the feasibility of extending cover to, for example, the construction of swimming pools. The indemnity scheme is primarily necessary to cover defective work or failure to complete work in relation to the building or alteration of a house, and not other ancillary work such as swimming pools. Owner-builders are not covered by the scheme because at present owner-builders are outside the scope of the Builders Licensing Act. While there have been numerous submissions that they should be included, this is a separate exercise. For the present, owner-builders are to be excluded from the scheme. However, a subsequent purchaser from an owner-builder is to be notified that there is no indemnity cover by way of the section 90 statement required under the Land and Business Agents Act, and the regulations under the Act should be amended accordingly.

The Bill provides that domestic building work shall not be carried out unless a policy of indemnity is in force. Failure to do so will attract a penalty. Clause 5 of the Bill introduces new section 19r which sets out the components of a policy of insurance which must comply with the Act. The cover is to be limited to defects arising under a statutory warranty, or builder failure to complete building work, where the builder dies, disappears or becomes insolvent. It does not cover defective work or failure to complete building

work when the builder is solvent and legal proceedings can be served upon him. I believe that the aim of the scheme should be to protect consumers against financial loss only in those situations where they have no other avenue of redress either under Statute or common law. The minimum value of the building work that is to be covered by the scheme should be set out in regulations. I suggest that $5 000 is an appropriate figure.

The components of the policy, set out in proposed section 19r, cover the minimum requirements. The section provides for regulations to be made that will set out, in detail, the other requirements of the policy. It is appropriate that these other matters be dealt with in regulations as they relate to specific details of the policy such as the level of consumer excess, the value of claims to be paid, the level of insurer liability, the terms and conditions of the policy, premium levels, and the time limits for making a claim. These matters will require further detailed consultation with industry before the regulations can be made and need to be incorporated in regulations as they may be subject to change from time to time.

The viability of the indemnity scheme rests on the involvement of local councils. Councils will be required to sight and record a certificate of indemnity when any application for council approval of domestic building work is lodged by a licensed builder or consumer. If the application is refused or not proceeded with, a refund is to be paid by the insurer upon receipt of notification from the local government authority. Where an application for council approval is lodged by a consumer before a builder has been nominated, final council approval can be given only when the local government authority sights and records a certificate of indemnity for the nominated licensed builder. This will ensure that a loophole does not arise and minimise the likelihood of domestic building work being undertaken without indemnity cover as a consumer is unable to build until he arranges indemnity cover. This proposal would require some amendments to the Building Act.

I am aware of the extra costs likely to be incurred by consumers who will be required to take out compulsory indemnity cover before building. The likely premium cost is expected to be between $100 and $150, but this is subject to further consultation with the industry. However, I trust that the Government and industry will endeavour to ensure a fair premium level, principally by including criteria for determining premium levels in regulations. However, the cost factor must be offset by the immense advantages offered to consumers and the increased consumer confidence it should promote in the building industry. The history of recent builder collapse and consumer loss stand as sufficient evidence as to the need to introduce compulsory building indemnity in South Australia.

The Bill is based on a departmental report which was prepared in August 1981 and which was circulated to all interested parties, including the Minister of Housing, the Housing Industry Association, the Master Builders Association, the Real Estate Institute, the Royal Institute of Architects, the Chamber of Commerce and Industry, the Consumer Association of South Australia, the South Australian Housing Trust, the State Government Insurance Commission, the Commonwealth Department of Housing and Construction, the Australian Finance Conference, and the Insurance Council of Australia. All interested parties support a building indemnity scheme. I seek leave to have the detailed explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

**Explanation of Clauses**

Clauses 1 and 2 are formal. Clause 3 provides for the repeal of the Defective Houses Act, 1976. Clause 4 amends section 2 of the principal Act by striking out subsection (2). Clause 5 is formal.

Clause 6 provides for the enactment of the new Part IIIc of the principal Act. New Section 19n contains definitions required for the purposes of the new Part. The most significant definitions are those of 'domestic building work' and 'house'. 'Domestic building work' is defined as work consisting of or involved in the erection, construction, alteration of or addition to, or the repair or improvement of, a house and the making of any excavation or filling incidental to such work. It includes the construction, alteration, repair or improvement of swimming pools and any other work that may be prescribed. It does not include work of a kind declared by regulation not to be domestic building work.

A 'house' is defined as a building intended for occupation as a place of residence but not including building intended partly for residential and partly for industrial or commercial purposes, a building divided into a number of separate places of residence and intended only for rental or any building of a prescribed class. New section 19o provides for the statutory warranties in relation to domestic building work. These warranties are as follows:

*(a)* that the building work will be carried out in a proper and workmanlike manner;

*(b)* that good and proper materials will be used in carrying out the building work;

*(c)* where the building work consists of the construction of a house, that the house will be reasonably fit for human habitation;

and

*(d)* where the building owner expressly makes known to the builder the purpose for which the building work is required or the result that he desires it to achieve, so as to show that he relies on the builder's skill and judgment, that the building work and the materials used will be reasonably fit for that purpose or of such a nature and quality that they might reasonably be expected to achieve that result.

Subsection (2) provides that successors in title to a house succeed to the benefit of the statutory warranties. However, under subsection (4) an action for breach of statutory warranty must be commenced within five years after completion of the building work to which the action relates. Where the defects in the building work result in reliance by the builder upon professional advice, the adviser can be joined as a party to the action and damages can be awarded wholly or in part against him. It will be a defence to an action for breach of a statutory warranty for the builder to prove that the deficiencies of which the plaintiff complains arise from instructions insisted upon by the building owner contrary to the advice of the builder. The new provisions will apply, notwithstanding any contractual waiver.

Division III relates to building indemnity insurance. New section 19p limits the application of the division to domestic building work performed by the holder of a general builders licence or a provisional general builders licence. The division is also limited to domestic building work the value of which exceeds the prescribed sum and for which approval is required under the Building Act, 1970-1982. The division does not apply to any class of domestic building work that may be prescribed. Section 19q provides that a builder shall not carry out domestic building work unless a policy of insurance that complies with the new division is in force in relation to the domestic building work.

In case of contravention of this provision the building owner may repudiate the contract and recover, by action in a court of competent jurisdiction, such proportion of the moneys paid under the contract as the court thinks just. New section 19r sets out the provisions that must be included in a policy of insurance if it is to comply with the division. The policy must insure each person who is or may become entitled to the benefit of a statutory warranty against the risk of being unable to recover under the warranty by reason of the insolvency, death or disappearance of the builder. The policy must insure the building owner against loss that he may suffer by reason of the non-completion of the work where the builder disappears, dies or becomes insolvent. Any limitations upon the extent of the insurers liability under the policy must conform to the regulations.

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

**The Hon. J.C. BURDETT:** I move:

That the adjourned debate be made an Order of the Day for tomorrow.

**The Hon. C.J. SUMNER (Attorney-General):** I move:

To strike out 'tomorrow' and insert 'Wednesday 23 February 1983'.

**The Hon. J.C. BURDETT:** The usual practice in regard to private members business is that the member proposing the business states the date of the adjournment. I stated that it should be the next day of sitting, and suggest that that practice should continue.

Tomorrow, the conduct of business will be in the hands of the Government. This will be private members' business, which comes after Government business. Tomorrow I may not be averse to the debate on the Bill being adjourned until February, but at the present time I am following the usual and accepted practice in this Chamber of accepting my right of saying to when the debate shall be adjourned, and I have stated that as being tomorrow. I adhere to that, and I will certainly be co-operative tomorrow, and be realistic about the exigencies of what may happen then. We might run out of business and there would be plenty of time for it to be debated. I oppose the motion.

**The Hon. C.J. Sumner:** We will not debate it; I can tell you that now.

**The PRESIDENT:** Order!

The Council divided on the amendment:

Ayes (11)—The Hons Frank Blevins, G.L. Bruce, B.A. Chatterton, J.R. Cornwall, C.W. Creedon, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, C.J. Sumner (teller), and Barbara Wiese.

Noes (10)—The Hons J.C. Burdett (teller), M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin, C.M. Hill, Diana Laidlaw, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Amendment thus carried; motion as amended carried.

## CONSUMER TRANSACTIONS ACT AMENDMENT BILL

**The Hon. J.C. BURDETT** obtained leave and introduced a Bill for an Act to amend the Consumer Transactions Act, 1972-1982. Read a first time.

**The Hon. J.C. BURDETT:** I move:

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

It results from the previous Bill that I have introduced to amend the Builders Licensing Act. The amendments to the Builders Licensing Act introduce a compulsory building insurance scheme and rationalise the statutory warranties that apply to builders by repealing the Defective Houses Act and incorporating its provisions in the Builders Licensing Act.

The opportunity has also been taken to review the position in relation to warranties that apply to building work pursuant to the provisions of the Consumer Transactions Act. In view of the specific provisions that will now apply to building work under the Builders Licensing Act, it is not necessary to duplicate warranty provisions under other legislation. Accordingly, this Bill provides that the warranties that apply pursuant to section 9 of the Consumer Transactions Act will no longer apply to domestic building work as defined under the Builders Licensing Act. However, the other provisions of the Consumer Transactions Act will continue to apply to such building work, for example, the provisions relating to recovery of damages from a supplier or a linked credit provider. I seek leave to have the detailed explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

### Explanation of Clauses

Clauses 1 and 2 are formal. Clause 3 amends section 9 of the principal Act by adding a further subsection. The subsection provides that a consumer contract for the provision of domestic building work within the meaning of the Builders Licensing Act, 1967-1982, is not subject to the provisions of section 9 of the principal Act.

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

**The Hon. J.C. BURDETT:** I move:

That the adjourned debate be made an Order of the Day for tomorrow.

**The Hon. C.J. SUMNER (Attorney-General):** I move:

To strike out 'tomorrow' and insert 'Wednesday 23 February 1983'.

I am not sure whether or not the Opposition is being deliberately childish on this matter, but the Bill introduced by the Hon. Mr Burdett concerning the builders indemnity fund is an important issue. As the former Minister in charge of the Department of Public and Consumer Affairs, the Hon. Mr Burdett was engaged in formulating the Bill that he has introduced today. I have no doubt that, when he lost Government, he took the Bill, the report and other material that he had from the department, and that is his right. I have no complaints about his doing that.

**The Hon. M.B. Cameron:** You did it.

**The Hon. C.J. SUMNER:** I am not complaining about his taking the documents or the report on which the Bill is based—good luck to him. He has them and very enthusiastically he has decided to introduce them to the Council; I am not complaining about that, either. What seems to be incredible to me is that the Hon. Mr Burdett wants to place the debate on this matter on the Notice Paper for tomorrow. It took the Liberal Government three years to get to a point where the legislation was prepared, and now the honourable member expects the present Government to be in a position to respond to it tomorrow. That is ludicrous, and the honourable member is obviously playing some kind of childish game which I am not sure I fully understand. To say the least, I am disappointed in the honourable member's attitude. Obviously, the Government cannot and, I can tell the honourable member now, will not respond to this Bill until the new year, at which time I will have assessed the Bill and the report on which it is based.

I will have consulted with the industry and others concerned and we will then be in a position to respond to the Bill. In fact, that applies to all the matters that the Opposition is introducing today. I will have no difficulty in responding to them at the appropriate time, but to play a childish game and say that the Opposition wants them put on tomorrow's Notice Paper just seems to be pointless. I hope that some

responses can be available in the new year. I ask the honourable member to recant and to adopt what is clearly a sensible motion of putting the matter on the Notice Paper for the Wednesday after we resume in the new year. That is the traditional day upon which private member's business is considered. I do not deny that private member's business cannot be considered after Government business is completed on a Tuesday or a Thursday. That has happened in the past.

**The Hon. J.C. Burdett:** It happened in the past three years.

**The Hon. C.J. SUMNER:** It did not happen consistently. I do not object to that happening on appropriate occasions, but the fact is that precedence to private member's business is given on Wednesdays. I ask the Council to follow what it did on the previous matter and adjourn the debate to when the Government may be in a position to give a response, and this sensibly will be in the new year. Certainly, it is in no position to give any response tomorrow, and it will not. There is little point in adjourning it until tomorrow.

**The Hon. J.C. BURDETT:** As I said before, it is perfectly clear that in this Council, as opposed to another place, private member's business may be dealt with on any day. It is perfectly competent for me to move that it be dealt with tomorrow.

**The Hon. C.J. Sumner:** It will not be dealt with tomorrow; I can tell you that now. It is ludicrous to expect it.

**THE PRESIDENT:** Order!

**The Hon. J.C. BURDETT:** What I said was perfectly correct, despite the Attorney's inane interjection: it is perfectly competent for the Council to deal with this business tomorrow. Over the past three years, while the Liberal Party was in Government, it was fairly common for private member's business to be adjourned from Wednesday until the next day of sitting. There is nothing improper about that at all.

**The Hon. C. J. Sumner:** There's nothing improper about it. It's just pointless.

**The Hon. J.C. BURDETT:** I have indicated that I am perfectly willing to be realistic about the exigencies of what might happen tomorrow. No-one knows the exigencies that may apply. If the business is postponed until after Government business, depending on what happens tomorrow, that is fine.

**The Hon. C.J. Sumner:** It won't be dealt with tomorrow.

**The Hon. J.C. BURDETT:** I want to continue the precedent established, particularly by the Labor Party during its period in opposition, of placing a matter on the Notice Paper for the next day of sitting. With regard to the vote on the last matter, on which we were defeated, I would remind private members who voted against us that if they continue to do so they might find it to their disadvantage in the future. They may find that, in effect, a sort of precedent is established that private members' business be not placed on the Notice Paper on the next day of sitting, which has been the practice for some time.

I refer now to the comments made by the Minister about the complexity of the legislation. The Minister has his files and the legislation and knows all about it. He also has the reports. I gave notice yesterday and the Minister has access to those documents, so there is no reason why he should not respond initially tomorrow. More important, it has been traditional in this Council that, in regard to Government business (except in extreme cases), the Opposition does not try to take the business out of the hands of the Government and that, if the Government wants to call on the next day a matter that it knows cannot be debated, it can do so. In regard to private members' business, it has been traditional that that business is not taken out of the hands in any way of the private member who moves it and that he shall have the right to nominate the day on which it shall be debated.

**The Hon. C.J. Sumner:** It won't be debated tomorrow. I am telling you now.

**The Hon. J.C. BURDETT:** If it cannot be debated, that can be got over in a matter of 30 seconds. I therefore oppose the amendment.

Amendment carried; motion as amended carried.

## SECOND-HAND MOTOR VEHICLES BILL

**The Hon. J.C. BURDETT** obtained leave and introduced a Bill for an Act to regulate dealing in second-hand motor vehicles; to repeal the Second-hand Motor Vehicles Act, 1971; and for other purposes. Read a first time.

## CONSUMER TRANSACTIONS ACT AMENDMENT BILL (No. 2)

**The Hon. J.C. BURDETT** obtained leave and introduced a Bill for an Act to amend the Consumer Transactions Act, 1972-1982. Read a first time.

## CRIMINAL LAW CONSOLIDATION ACT AMENDMENT BILL

**The Hon. K.T. GRIFFIN** obtained leave and introduced a Bill for an Act to amend the Criminal Law Consolidation Act, 1935-1981. Read a first time.

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

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

In the last session of Parliament I introduced a Bill similar to this Bill to amend the Criminal Law Consolidation Act, 1935-1981. It passed with one amendment, but was not considered in the House of Assembly because of the election. The Bill that I have now introduced is the Bill which passed the Legislative Council.

In South Australia suicide is a felony, often called self-murder, and attempted suicide is a misdemeanour punishable by a term of imprisonment not exceeding two years. Survivors of suicide pacts are also guilty of murder.

In 1970 the Law Reform Committee, in its report, recommended that attempted suicide should no longer be a crime, and in 1977 the Criminal Law and Penal Methods Reform Committee, in its Fourth Report, recommended that neither suicide nor attempted suicide should be a crime.

To regard suicide as a form of homicide is an intellectually neat classification, but the killing of a person by himself raises very different social and ethical considerations from the killing of a person by another. The fact that suicide is an offence is immaterial to the person who is at once the perpetrator and the victim of crime. However, the fact that suicide is an offence casts an unnecessary extra burden of shame and grief on the suicide's family. There are no good reasons for retaining suicide as an offence, and it should cease to be one, as is the position in the United Kingdom, New Zealand, Queensland, Western Australia, Tasmania, and Victoria.

There has been no prosecution for attempted suicide in this State for many years. The fact that attempted suicide is an offence increases the stigma associated with those who attempt suicide. It is sometimes suggested that the crime should remain on the Statute Book because some persons who have no firm intention to commit suicide nevertheless make what appear to be attempts in order to attract attention,

and it is desirable to retain some means of dealing with them under the criminal law.

There is no evidence that the prosecution of such persons for attempted suicide acts as a deterrent either to them or to others of a like mind. There can be no case for treating this supreme manifestation of human misery as an offence against the criminal law.

Where two people enter into an agreement to commit suicide and one person kills the other but himself survives, the survivor is guilty of murder. Sometimes the circumstances surrounding the survivor are tragic and it would be unrealistic to expect a jury to find the survivor guilty of murder. Accordingly, provision is made in the Bill that a jury shall not, with one exception, bring in a verdict of murder or attempted murder, but may bring in a verdict of manslaughter in those circumstances if the jury believes that the accused was a party to a genuine suicide pact. The judge will then be able to impose an appropriate sentence based on the facts surrounding the suicide.

While I believe that neither suicide nor attempted suicide should be an offence, I do not believe that people should be free to incite others to commit suicide or bring pressure to bear on them to commit suicide. The Bill makes it an offence to aid, abet or counsel the suicide of another and a person who by fraud, duress or undue influence procures the suicide of another will be guilty of murder. I seek leave to have the detailed explanation of clauses inserted in *Hansard* without my reading it.

Leave granted.

**Explanation of Clauses**

Clause 1 is formal. Clause 2 inserts in the principal Act a new section 13a. Subclause (1) of the proposed new section provides that it is no longer to be an offence to commit or attempt to commit suicide. Subclause (2) provides that a person who finds another committing or about to commit an act which he believes upon reasonable grounds would, if committed or completed, result in suicide is justified in using reasonable force to prevent the commission or completion of the act. The effect of this subclause is to retain the present position whereby reasonable force may be used to prevent the commission of a felony, suicide being presently a felony.

Subclause (3) provides that a homicide that would constitute murder is reduced to manslaughter if the killing was done in pursuance of a suicide pact. This would also apply in relation to an accomplice to a homicide if the accomplice acted in pursuance of a suicide pact. 'Suicide pact' is defined in subclause (11) as an agreement between two or more persons having for its object the death of all of them whether or not each is to take his own life. Under that subclause, a person is not to be regarded as acting in pursuance of a suicide pact unless he was acting at a time when he had a settled intention of dying in pursuance of the pact. Subclause (4) fixes the penalty where an attempt to kill is reduced under subclause (3) from attempted murder to attempted manslaughter. The penalty is fixed at a term of imprisonment not exceeding 12 years. This penalty is in line with the penalty fixed by section 270a of the principal Act for an attempt to commit an offence that carries a penalty the same as that for manslaughter, namely, life imprisonment.

Subclause (5) of proposed new section 13a provides that, where a person is killed in pursuance of a suicide pact, an accomplice to the killing shall, if he was not himself a party to the suicide pact, continue to be guilty of murder even though the offence of the principal offender is reduced by subclause (3) from murder to manslaughter. Subclause (6) provides that a person who aids, abets or counsels the suicide of another or an attempt by another to commit suicide is guilty of an indictable offence. Subclause (7) fixes the penalty for such an offence. This is fixed at a term of imprisonment not exceeding 14 years where suicide was committed, and at a maximum of eight years imprisonment where suicide was attempted. Where a person convicted of an offence against subclause (6) is found to have acted in pursuance of a suicide pact, the penalty is fixed at a maximum of five years imprisonment where suicide was committed, and at a maximum of two years imprisonment where suicide was attempted. The penalties fixed by subclause (7) where suicide was attempted reflect the penalties fixed for corresponding attempts under section 270a of the principal Act.

Subclause (8) provides that a person who by fraud, duress or undue influence procures the suicide of another, or an attempt by another to commit suicide, shall be guilty of murder or attempted murder, as the case may require. Subclause (9) provides that a person charged with murder or manslaughter, or attempted murder or manslaughter, may, if the jury so finds, instead be convicted of an offence against subclause (6). Subclause (10) places the burden of proving the existence of a suicide pact and that he was acting in pursuance of the pact upon the accused. Subclause (11) provides the definitions outlined above. Subclause (12) provides that where a person induced another to enter into a suicide pact by means of fraud, duress or undue influence, the person is not entitled in relation to an offence against the other to any mitigation of criminal liability or penalty based upon the existence of the suicide pact.

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

## CO-OPERATIVES BILL

**The Hon. K.T. GRIFFIN** obtained leave and introduced a Bill for an Act to make provision for the registration, incorporation, administration and control of co-operatives; to repeal the Industrial and Provident Societies Act, 1923-1982; and for other purposes. Read a first time.

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

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

Because the second reading explanation is quite lengthy and because the Bill was presented to the Council prior to the election, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

**Explanation of Bill**

This Bill deals with the registration and regulation of bodies formed to pursue a wide range of co-operative endeavour. It will deal with all types of co-operative, other than those branches of co-operation which are the subject of specific legislation, namely, building societies, credit unions and friendly societies. This Bill is identical with the Bill introduced by me in the last session of the last Parliament.

The co-operative movement and the co-operative philosophy have the endorsement and support of all Governments. Co-operation in all its forms is acknowledged to be a major source of benefit to the community. Up to the present time, the co-operative movement in this country has not assumed the size and vitality of its overseas counterparts. In Europe and the United States of America co-operatives are sophisticated and accepted competitors with other business ventures in the private sector. It is with the object of giving impetus to the co-operative movement that this Bill provides, among other things, for the establishment of a Co-operatives Advi-

sory Committee, as a link between the movement and the Government.

The previous Government was acutely conscious, as recent events have shown (for example, the failure of Riverland Fruit Products Co-operative Limited and Southern Vales Co-operative Limited), that the fortunes of individual co-operatives within the movement dictate the fortunes and lives of many ordinary citizens, the sum of whose efforts are represented in every registered co-operative. This Bill is a long awaited modernisation of important legislation to deal with many of those problems.

It endeavours to encourage the co-operative philosophy, provide for appropriate public accountability, provide both regulation and guidelines which hopefully will help to prevent alienation of member from management, and to make for great uniformity in accounting and management practice within co-operatives.

The history of this legislation goes back a very long way. The need for its complete review is apparent from the fact that the principal Act which was enacted in 1923 is based very substantially on the United Kingdom Act of 1893. Over many years amendments to the principal Act have been mainly consequential upon the enactment or amendment of other legislation. The first review of the present Act was made by the Law Reform Committee of South Australia. In its forty-first report made in the early 1970s, the committee referred to substantially the same deficiencies in the Act as are referred to in the report of a Working Party established by a previous Government in 1978. One of the terms of reference of that Working Party was to review the Industrial and Provident Societies Act.

The Working Party was continued under the Liberal Government to which it reported late in 1980 in respect of the legislative review portion of its assignment. The report indicated that the Working Party had sought the views of a wide segment of the co-operative movement, both within and outside of South Australia. The Working Party considered the Industrial and Provident Societies Act, 1923-1982 to be anachronistic and completely out of harmony with modern commercial needs and practice. By way of example the report cites the maximum fine of $40.00 which can be imposed for offences against the Act. As the report indicates, this penalty is hardly likely to ensure compliance with the few sanctions which the Act imposes.

When the report was exposed for public comment only four submissions were received. Those submissions, two of them being from organisations representing co-operatives, expressed agreement with the findings of the Working Party. This Bill gives effect to numerous recommendations made in the report of the Working Party. Those concerned with the operation of co-operatives have been consulted during the drafting of this Bill.

In moving on to deal generally with the contents of the Bill it must be mentioned that a new Act was required as the present Act was inappropriate for amendment. It will be observed that the title of the Bill is now expressed clearly in modern terminology. The view is expressed in the report that there is no reason why co-operatives should not be regulated on a basis similar to companies, other than in those areas where fundamentals of co-operative philosophy are involved. While I, and the previous Liberal Government, agreed with this approach from the point of view of deregulation and rationalisation, the Bill makes appropriate provision for relief from the application of the law relating to companies in cases where its application would place undue burdens on small co-operatives.

Another matter referred to in the report is the quantity of documentation required to be lodged with and registered by the Registrar. The present requirements are almost without exception excessively time consuming and cumbersome, and out of keeping with a policy of deregulation. This matter has been dealt with in the Bill.

The powers and authorities under the present Act are conferred on the Registrar of Industrial and Provident Societies. The holder of that office has always been associated with the administration of company law, the present Registrar being an officer of the Corporate Affairs Commission. As the whole of the administration of the present Act is undertaken with the resources of the commission, it is administratively convenient that the Corporate Affairs Commission should be given responsibility for this Act, and that the office of Registrar should be abolished.

The status of registered co-operatives and registered rules which were accepted under the existing law is not disturbed. It is hoped that those co-operatives, whose rules were registered under the present Act, may be moved to update those rules voluntarily where they do not accord with the philosophy expressed in the Bill.

Provisions for initial registration have been simplified, and a new definition of co-operative included. Both the Law Reform Committee and the Working Party expressed concern at the lack of discretions available to the Registrar to refuse registration under the Act. Because of this situation there is no doubt that some organisations which have been registered under the Act are co-operative in name but not in spirit. Frequently, the choice of the present Act as the vehicle for incorporation was a deliberate ploy to gain full corporate status, without becoming subject to the much more onerous provisions of the Companies Act. To provide an additional facility in determining eligibility for registration, the principles of co-operation are set out in the Bill.

The concept of a Co-operatives Advisory Council is not without precedent in that recent legislation established a Building Society Advisory Council. Co-operative Advisory Councils have been established under equivalent legislation in other States. While this innovation is experimental as far as South Australia is concerned, it is the intention of the Bill that the Advisory Council will be a means of encouraging co-operation at all levels, and be a monitor in ensuring that legislation is kept under review. It was the intention of the previous Government to consult with the Co-operative Federation of S.A. Incorporated with regard to appointments to the Advisory Council in order to obtain the maximum advantage from the council and broad representation. I hope that when this Bill passes, the present Government will pursue that consultation.

At present the Registrar is powerless to investigate complaints made against co-operatives, and similarly has no power to make inspections to ascertain if a co-operative is abiding by the Act. The Registrar is limited to requesting the Minister to appoint an Inspector to conduct a special investigation. This procedure not only involves considerable expense, but would be totally inappropriate other than in cases involving allegations of some grave impropriety in the administration of the affairs of the co-operative. Because of the number of complaints received by the Registrar, and because a power of inspection is essential if any body corporate legislation is to be effective, the provisions of the Companies (South Australia) Code relating to inspections have been invoked to give a broader range of options in dealing with matters of complaint or concern.

The provisions to facilitate the amalgamation of co-operatives and the resolving of disputes which appear in the present Act, have been repeated in the Bill in a more practical form.

The Bill quite properly sets a high standard in respect of rules, which are of no effect prior to registration. A new provision is that an explanatory memorandum is to be sent to members with the notice of meeting at which a resolution to change the rules is to be proposed. Experience has shown

that without an explanation in narrative form, it may be difficult for members to appreciate the purpose and merits of the proposed alteration.

The matter of voting rights, which is a fundamental issue in co-operatives, has been placed on a more satisfactory basis in this Bill. Every member is entitled to one vote irrespective of the number of shares held by that member. Any rule which provides for a different scale of voting, or which denies a vote to a class of shareholder, cannot be registered without the consent of the Minister.

The justification for invoking certain Companies Code provisions has been mentioned previously. These provisions have been invoked in respect of the prohibition of certain persons acting as members of a committee, and in respect of the conduct of members of a committee in the discharge of their duties. It was the view of the Working Party, which is endorsed in this Bill, that even where they act without fee members of a committee have a heavy responsibility of honesty and diligence which should be no less than is required of company directors.

The accounts and audit provisions in the Bill are substantially those which now apply to companies under the Companies (South Australia) Code. These provisions have been set out at length because they apply to all co-operatives on a recurring basis. Again, there is no reason why co-operatives of significant size and affluence, should not be subject to the accounting standards which are applicable to companies.

These provisions have been adjusted to take account of the unique features of co-operatives, for example, fluctuating capital. It is intended that the regulations will provide a schedule similar to that provided under the Companies (South Australia) Regulations as to the contents of accounts of co-operatives. In fairness it must be said that at present some large co-operatives prepare accounts and, where necessary, group accounts on the same basis as companies, although this standard is not prescribed under the present Act or regulations. It is mentioned again that provision is made to accommodate those co-operatives which for special reasons are unable to comply with the new requirements.

Provision has also been made in the Bill for the transfer of the undertaking of a co-operative to another body corporate. These provisions would apply if a co-operative resolved to abandoned its registration under this legislation, and trade as a company or other type of body corporate. The Bill provides that the sale of assets having a value equal to the total issued capital of the co-operative, is to be authorised by special resolution. The notice of the meeting will be accompanied by information which will enable the member to make an informed decision. This requirement ensures member participation in such a significant decision.

A new mode of winding up is included in the Bill, to supersede the instrument of dissolution method which is cumbersome and unsatisfactory. This new mode of winding up commences when the Minister issues a certificate, on prescribed grounds. A similar provision for winding up appears in the legislation relating to building societies and credit unions.

The Bill deals with the vesting and disposal of assets which are discovered subsequent to the dissolution of a co-operative. These outstanding assets will vest in and be disposed of by the Corporate Affairs Commission. The net proceeds of sale will be paid to the Treasury, where they may be claimed by any person who can establish an entitlement to those moneys. The absence of such a provision is another defect in the present Act.

While this Bill imposes greater regulation than that imposed under the present Act, it also provides for substantial deregulation in a number of areas. The existing legislation reflects Nineteenth Century concepts and early Twentieth Century money values. In consequence, this Bill must of necessity impose greater accountability which is nevertheless in keeping with other modern body corporate legislation.

I hope that the new Government will see fit to support this Bill as a result of a long overdue and comprehensive review of the law relating to co-operatives.

Clauses 1, 2 and 3 are formal. Clause 4 sets out the definitions that are required for the purposes of the new Act. Included in this provision is the definition of 'co-operative', which is principally a society which is formed on the basis of the principles of co-operation and which carries on an industry, business or trade. Subclause (2) sets out the conditions upon which a society will be regarded as having been formed on the principles of co-operation. Clause 5 sets out which corporations are to be considered as subsidiaries of a co-operative.

Clause 6 provides for the repeal of the Industrial and Provident Societies Act, 1923-1982, and contains certain necessary transitional provisions. Clause 7 provides for the administration of the new Act by the Corporate Affairs commission. The commission is to be subject to the control and direction of the Minister. Clause 8 provides for the keeping of registers by the commission and provides for inspection of the registers and inspection of documents held by the commission under the new Act. Clause 9 empowers the commission to extend limits of time prescribed by the Act or to grant exemptions from obligations imposed by or under the Act. Clause 10 provides for the commission to furnish an annual report upon the administration of the Act. The report is to be laid before Parliament.

Clause 11 establishes the 'Co-operatives Advisory Council', which is to consist of a chairman and between four and eight other members appointed by the Governor on the Minister's nomination. Clause 12 provides that the council is to advise the Minister on various matters that affect co-operatives. Clause 13 extends the provisions of the Companies Code relating to inspection and special investigations to co-operatives.

Clause 14 deals with the manner in which an application for incorporation is to be made.

Clause 15 deals with the registration and incorporation of co-operatives under the new Act. It is to be noted that it empowers the commission, in special circumstances, to register societies under the proposed new Act which may not possess all the characteristics normally associated with co-operatives but which, nevertheless, have in some degree been formed on the basis of the principles of co-operation. This provision also sets out the general powers of a co-operative incorporated under the new Act.

Clause 16 provides that the liabilities of an incorporated co-operative do not attach to members or officers of the co-operative.

Clause 17 provides for the amalgamation of registered co-operatives.

Clause 18 provides that the rules of a registered co-operative bind the co-operative and all the members of the co-operative.

Clause 19 deals with an alteration of the rules. Any alteration must be passed by special resolution and must be properly explained to members before a vote is taken. An alteration comes into force on registration.

Clause 20 deals with the voting rights of members of registered co-operatives. The principle of one member being only entitled to one vote is encouraged, and any rule to the contrary proposed after the commencement of the new Act must be approved by the Minister.

Clause 21 specifies the requirements that the names of registered co-operatives must comply with.

Clause 22 sets out certain general powers of registered co-operatives.

Clause 23 deals with the manner in which a registered co-operative is to enter into contracts.

Clause 24 limits the doctrine of *ultra vires* in relation to registered co-operatives.

Clause 25 deals with the rule in Turquand's case. It provides that a person dealing with a registered co-operative is not to be presumed to have notice of its rules.

Clause 26 deals with the management of the affairs of a registered co-operative. A committee of management must have at least five members, to be called 'directors'.

Clause 27 deals with the disclosure of interest by directors of registered co-operatives.

Clause 28 prevents directors of a registered co-operative who have a pecuniary interest in contracts proposed by the committee of management from taking part in deliberations or decisions of the committee with respect to such contracts.

Clause 29 provides that a person who is disqualified from acting as a director of a company under the Companies Code cannot take part in the management of a registered co-operative.

Clause 30 sets out the duties of honesty and diligence that must be fulfilled by officers of registered co-operatives.

Clause 31 extends the provisions of the Companies Code relating to prospectuses and registration of charges to co-operatives.

Clause 32 provides that a registered co-operative must maintain a registered office within the State.

Clause 33 sets out the registers that a co-operative must keep. The registers are to be available for public inspection.

Clause 34 provides for the holding of an annual general meeting of a registered co-operative.

Clause 35 provides that a registered co-operative shall not expel any person from membership unless he has been given a reasonable opportunity to be heard by the committee of management.

Clause 36 provides that a sale of assets for a price equal to the total issue capital of a registered co-operative must be approved by a special resolution. Appropriate information concerning the proposed transaction must be supplied to members.

Clause 37 sets out the definitions to assist the part of the proposed new Act that deals with accounts and audit.

Clause 38 deals with the obligation of registered co-operatives to keep accounts and to have those accounts audited.

Clause 39 seeks to ensure that as a general rule the financial year of any subsidiary of a registered co-operative will coincide with the financial year of the holding co-operative.

Clause 40 provides that the directors must in each financial year cause to be made out accurate accounts, balance-sheets and group accounts. These accounts are to be audited. The directors must certify their accuracy.

Clause 41 requires directors to provide an annual report of the accounts and operations of a registered co-operative to the members of the co-operative.

Clause 42 requires directors of a registered holding co-operative to provide an annual report of group accounts and operations of all subsidiaries in the group.

Clause 43 provides some further specific requirements to be included in the reports made under the preceding two clauses. These requirements assist to explain the accounts and directors' reports.

Clause 44 allows regulations to be made for the rounding-off of accounts and reports.

Clause 45 requires the directors of a holding co-operative to wait for the receipt of the accounts of subsidiaries before they prepare the group accounts. They are also to take reasonable steps to obtain appropriate reports from the directors of each subsidiary. The directors of the holding co-operative may request any further information required for the preparation of proper group accounts. The accounts and reports received from the subsidiaries must be sent to the members of the holding co-operative.

Clause 46 requires a registered co-operative to send to each member of the co-operative a copy of all the accounts, balance-sheets, statements and reports which are required to be prepared under this Part.

Clause 47 provides for all accounts and reports for the preceding financial year to be laid before the annual general meeting of a registered co-operative.

Clause 48 provides that a periodic return of accounts and such information as may be prescribed must be lodged with the commission.

Clause 49 provides the penalties to be imposed on co-operatives and on directors that fail to take all reasonable steps to secure compliance with the accounting provisions of the proposed new Act.

Clause 50 sets out the qualification that must be possessed by auditors of registered co-operatives.

Clause 51 deals with the appointment of auditors for registered co-operatives. An auditor must be appointed within one month of the date of incorporation. Casual vacancies in the office of auditor may be filled by another auditor appointed by the committee of management, or appointed by resolution of the co-operative.

Clause 52 provides for the nomination of auditors prior to appointment.

Clause 53 deals with the removal and resignation of auditors. The commission is to be informed of any change in auditor.

Clause 54 provides that an auditor ceases to hold office on the winding-up of the co-operative.

Clause 55 allows an auditor to recover reasonable fees and expenses from a co-operative.

Clause 56 sets out the powers and duties of auditors as to reports on accounts. The auditor's report is to be presented at the annual general meeting of a registered co-operative. The auditor is required to report to the commission where he becomes aware of any breach of the accounting provisions of the proposed new Act by the co-operative, or its directors.

Clause 57 provides that the accounts of all subsidiaries of a registered co-operative must be audited under the provisions of the proposed new Act, even if they may be exempt under the Companies Code from appointing an auditor. The auditor of a holding co-operative is to be the auditor of any subsidiary that has not otherwise appointed an auditor.

Clause 58 makes it an offence to obstruct an auditor in the performance of his duties under the proposed new Act.

Clause 59 empowers the commission to grant an exemption from obligations imposed by or under the Part of the proposed new Act that deals with accounts.

Clause 60 extends the provisions of the Companies Code relating to arrangements and reconstructions, receivers and managers and official management to registered co-operatives.

Clause 61 allows a registered co-operative to request the commission to transfer all of its undertaking to a body incorporated under some other Act.

Clause 62 deals with the winding-up of registered co-operatives. Included is provision for a winding-up, on specific grounds, on the certificate of the Minister.

Clause 63 deals with the completion of winding-up proceedings commenced under the repealed Act.

Clause 64 provides for outstanding property of societies which have had their registration cancelled under the repealed Act to vest in the commission.

Clause 65 provides for appeal against decisions by the commission.

Clause 66 makes it an offence to knowingly provide false information under the proposed new Act.

Clause 67 requires a co-operative to keep accurate minutes of all proceedings and meetings of the co-operative and its committees.

Clause 68 provides that minutes must be available to members for inspection.

Clause 69 forbids a registered co-operative from offering or granting an option for shares in the co-operative. Such action is contrary to the principles of co-operation.

Clause 70 restricts the manner in which registered co-operatives may offer shares for public subscription.

Clause 71 provides that interest on share capital may only be paid upon the authorisation of the directors and the approval of members in general meeting.

Clause 72 requires a registered co-operative to print its name on certain documents that are commonly used in its affairs.

Clause 73 requires a registered co-operative to notify the commission of changes in certain particulars, including the registered address and composition of the committee of management of the co-operative.

Clause 74 provides for proof of certain formal documents.

Clause 75 provides for service on co-operatives.

Clause 76 provides a general penalty for contravention of the proposed new Act.

Clause 77 applies sections of the Companies Code which deal with the investigation of misconduct in relation to the affairs of corporations.

Clause 78 deals with proceedings for offences against the new Act.

Clause 79 provides that where a fee is payable upon lodgment of a document with the commission, the document shall not be regarded as having been duly lodged until the fee is paid.

Clause 80 provides for the payment of fees received by the commission into the General Revenue. The commission is to keep proper accounts of receipts and payments under the new Act, which are to be audited.

Clause 81 provides for the making of regulations.

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

## REMUNERATION CONTROL BILL

**The Hon. M.B. CAMERON (Leader of the Opposition):** I move:

That the adjourned debate on the Bill be now resumed.

In doing so, I indicate that I believe that this is an important matter that should be debated before the end of this sitting. Because it is a matter of public importance and because there is a lot of concern in the community in this regard, I believe it is only proper that the Opposition has the opportunity for a full debate and to hear the Government's views on this Bill.

The normal procedures of the Council provide that a Bill is introduced, the second reading explanation is given, and the debate is adjourned so that the Government or the Opposition has the opportunity to take away the Bill and determine a view. Frankly, I have no wish to push this debate to a conclusion today. However, before giving away my right as a private member to ensure that this debate continues, I require an assurance from the Government that, before the Parliament rises in this period, we will have the opportunity to debate the issue to its conclusion. I do not care whether the debate is tomorrow, Friday, or next week, as long as it is held in this period. Therefore, before agreeing to a further adjournment motion, which I imagine the Attorney-General will move, I seek an assurance that the Attorney will allow debate on this matter.

**The Hon. C.J. SUMNER (Attorney-General):** The Leader of the Opposition seems to have taken this opportunity to make a speech. I am a little baffled about the behaviour of the Opposition. A few moments ago members opposite were talking about conditions in the Council and stated that they believed, quite erroneously, that I was in breach of the traditions in relation to the Hon. Mr Burdett's move to have his private member's matter dealt with tomorrow, and I mean in terms of a response by the Government tomorrow. Clearly, the honourable member was being ludicrous and childish. He took my move to amend his motion as a breach of tradition, but half an hour later the Hon. Mr Cameron comes along and insists that the Government debate his measure, which was introduced only today.

**The Hon. M.B. Cameron:** I am not insisting at all. You have not listened. I have asked a question.

**The Hon. C.J. SUMNER:** The honourable member is not sure what the motion is. Obviously he moves motions without knowing what they say. His motion provides that his Bill be taken into consideration forthwith: that means that it would come on immediately. The Opposition talks about tradition in these matters, but it is now engaging in an unprecedented breach of tradition. During my time in this place, it has been my experience that, unless the other side of politics agrees (as occurred yesterday in regard to a Bill), it is not expected that honourable members from the other side will respond instantly to a Bill that is introduced. It is the normal procedure when a Bill is introduced and read—

**The Hon. M.B. Cameron:** You don't have to tell us that.

**The Hon. C.J. SUMNER:** I will explain, because obviously the honourable member does not understand. When a Bill is introduced and a second reading explanation is given, the Bill is tabled and often that is the first members see of it. That occurred in this case: there was no first reading to enable the Bill to be printed and distributed. Once the second reading explanation has been given, the normal procedure is that another member moves that the debate be adjourned.

That is exactly what I have done in this case. So, it seems to me that there is little point in the Opposition insisting that the matter be taken into consideration and dealt with forthwith, which seems to be what it wants. I am not going to respond to a Bill that I have seen for the first time today. The first time that I saw the Bill was when it was placed on my desk as the Hon. Mr Cameron was speaking on it.

It would be quite unprecedented to expect Government members or anyone else in the Chamber to respond to it if they did not wish to do so. I have no intention of speaking on the Bill today, and I make that position quite clear. The honourable member may move that it be taken into consideration tomorrow, in which case it would be considered after Government business tomorrow. As to the extent to which the matter would be debated, I cannot give any undertaking on that to the Opposition.

**The Hon. M.B. Cameron:** Will you sit on Friday?

**The Hon. C.J. SUMNER:** There are no plans for Parliament to sit on Friday.

**The Hon. L.H. Davis:** In other words, you will not allow debate on this important matter tomorrow?

**The Hon. C.J. SUMNER:** In case the Hon. Mr Davis does not know it, debate has already been allowed.

**The Hon. L.H. Davis:** Tomorrow.

**The Hon. C.J. SUMNER:** Whether or not there is debate on it tomorrow will depend on the extent to which Government business is dealt with tomorrow. If Government business takes up the sitting time tomorrow, as private

members' business comes after Government business, it clearly will not be able to be debated tomorrow. But, that is for tomorrow to determine.

At this stage there is a long Notice Paper for Government business. How much of that we will finish today I do not know. All I am saying is that I do not intend to debate this Bill today. No member of my Party intends to debate it today. It is totally unreasonable and unprecedented to expect them to do so.

**The Hon. J.C. Burdett:** Why did you not oppose it when I put it on motion?

**The Hon. C.J. SUMNER:** I did. I called and indicated the reason why I did not want to divide on the matter. It is now being sought to bring the matter back on. I am making my position quite clear. It is totally unreasonable for the Opposition to expect a response instantly, and I do not intend to respond. As I said before, the normal procedures, without exception, in this Chamber are that a Bill is introduced, read a second time in the sense of a second reading explanation, and then adjourned to enable honourable members to give consideration to it. All I can say is that all members in this Council, at least all members on this side, excluding the Hon. Mr Milne who may have been privy to the Opposition moves, did not see the Bill until it was tabled about an hour ago.

I certainly have no intention of speaking to the Bill today. Therefore, if it is agreed that it be taken into consideration now, and it may be that it has to be taken into consideration now because it needs to be brought back on and dealt with in some way, I will move that the debate be further adjourned.

**The Hon. K.L. MILNE:** What is bothering members is that it is an important matter and that it is also near the end of this part of the session. Some members may be hoping that more debate can take place on it without necessarily trying to force the Government into a decision. We would certainly like the opportunity of debating the matter a little further, particularly as the Democrats have a decisive part to play in Canberra and, in fact, are doing so at this time.

I would not support the matter coming on again today because I do not think that would get us any further. When we know the result of the debate in Canberra, and the decision of the Senate, as I am sure we soon will, and if the Senate supports this matter or the amendments that I know will be moved, then it would be sensible and courteous to debate the matter a little further, even if it is not finalised until late in February. I support the move to ask the Leader of the Government in this Chamber to agree to the matter being put on tomorrow.

**The Hon. C.J. Sumner:** It can be put on tomorrow; I have no objection to that. Whether we will reach it, I do not know.

**The Hon. K.L. MILNE:** The Democrats are asking that the Leader of the Government state that, if it comes on the Notice Paper tomorrow, he will attempt to have the matter debated, at least for a short time, knowing that it is not our intention of forcing the Government to a decision.

**The Hon. J.C. BURDETT:** What has happened in this matter is that, after the Opposition Leader had introduced the Bill and had spoken to the second reading explanation, the Attorney-General took the adjournment and the Opposition Leader placed it on motion. The Attorney-General is correct in that he did call 'No' when it was placed on motion, but he did not ask the Council to divide and he allowed the matter to be placed on motion. What the Opposition Leader is trying to do now is bring it back.

What the Hon. Mr Milne has said is perfectly true. This is a matter of extreme urgency. In fact, that is understating it. It is a question of the survival of the State. This measure is absolutely essential. If we are to survive financially as a viable State, the question of the wage freeze or what happens in the present economic situation should be tackled in some way. The Bill proposes an option, a way of handling it, a way that, I believe, is correct. But, whether it is or not, to dilly-dally around until 23 February would be completely hopeless. We want some leadership and something to happen. Reference was made to an article in this morning's *Advertiser* by the Leader—

**The Hon. FRANK BLEVINS:** I rise on a point of order. Mr President, I would like your assistance. It appears that the Hon. Mr Burdett, along with other members, is debating the substance of the Bill. Mr President, I ask you to rule that that is not what is before the Chair at the moment.

**The Hon. J.C. BURDETT:** On the point of order, I made it clear that I am not trying to debate the issue. I made it clear that the option put by the Bill is only one of the options. What I am debating is specifically the question as to whether or not the Bill should be debated on motion today or tomorrow. I am speaking strictly to what is before the Council.

I am stating the reasons why it must be debated tomorrow. I conceded to the Hon. Mr Milne that if we could get an undertaking that there would be a debate tomorrow—not necessarily to its conclusion—I would be happy. It is a matter of the survival of the State.

**The PRESIDENT:** The Hon. Mr Blevins in this case is quite right. The Hon. Mr Burdett must confine his remarks to the motion that was moved by the Hon. Mr Cameron to resume the debate.

**The Hon. J.C. BURDETT:** That is exactly what I was doing.

**The PRESIDENT:** The honourable member was not. He moved into debate.

**The Hon. J.C. BURDETT:** I am talking about when the issue ought to be debated, not about anything else. I suggest that, for the reasons which the Hon. Mr Milne stated and which have been stated before, it ought to be debated now or, at the very latest, tomorrow. If the Attorney-General is prepared to give an undertaking that some debate on it will be allowed tomorrow, I will be perfectly happy.

**The Hon. M.B. CAMERON (Leader of the Opposition):** Once again the Attorney-General has deliberately attempted to imply that people on this side of the Chamber do not know the Standing Orders and the procedures. I take exception to that because I am fully aware of the procedures of the Chamber. I was attempting to get some commitment from the Attorney-General that this matter would be allowed to proceed and that we would be allowed to have further debate on it before the end of this part of the session. That was the question which I put to him and which he chose to avoid. He has said, 'I do not mind debating private members business on a day other than Wednesday.' That is fine, except that he knows the time constraints that are now upon this Parliament. I would not be surprised if he has now changed his mind on that matter because he knows that he will be publicly embarrassed if he is seen to be forestalling debate by other people in this issue.

**The Hon. C.J. Sumner:** I said, 'You can put it on the Notice Paper for tomorrow.'

**The Hon. M.B. CAMERON:** And I heard you say *sotto voce*, 'We will not be here tomorrow night.' This is the only time that the Opposition has any control over the business of this Chamber. To do anything else tomorrow we would have to take the business out of the hands of the Government, and that is not a procedure for which I have any great desire. I am not saying that we would not consider that at some stage, but we want the Government to show a reasonable attitude and to allow debate on this issue—

not necessarily today, but before the end of this session. I know that the second reading explanation is normally given and then at some future time debate continues. That is irrelevant to the question that I ask. The Attorney-General deliberately chose not to answer the question because he did not intend to give a Government view before the end of this part of the session—it has no view to give. That is what he gets from the Government's dithering Leader in the other House.

**The Hon. C.J. Sumner:** Do you want to speak?

**The Hon. M.B. CAMERON:** No, we want the Government's views.

Motion carried.

**The Hon. K.L. MILNE:** Our view is that, if the Federal Parliament passes wage and salaries pause legislation, we would support similar legislation if it was introduced by the Government in South Australia, but we would not support a unilateral move by the Opposition which could put this State completely out of step with the Federal scene.

**An honourable member:** We are trying to put it in step.

**The Hon. K.L. MILNE:** How can one do that when one does not know what they have done up there? For heavens sake, let us be reasonable about it. We would support either the extension of the Parliamentary session or the early recall of Parliament to implement the necessary legislation. We do not believe that it is a feasible proposition for the South Australian Parliament to try to dictate to or put pressure on the Federal Government. Nor do we believe that it is right for this Chamber to try to put pressure on the State Government. That is not the function of this Chamber. However, if legislation is passed in Canberra which is acceptable to those who have to make it work—that is to say, the trade unions, the employers and others—then it is eminently sensible for all the State Governments to follow with supplementary legislation. But we still believe that the pause should be for everybody and that it must be a pause on total remuneration, not just on wages and salaries. Honourable members know what I have said before, and I will not bore the Chamber by repeating it. As the Bill has only just been printed and come to us, we feel as the Government feels, that we need more time to debate it properly, but I would now like to say briefly what we think because we have been in touch with Canberra.

The Australian Democrats in Canberra will be moving amendments, first, to control Commonwealth charges; secondly, to control prices by the re-establishment of the Prices Justification Tribunal, with particular emphasis on the basic necessities of life; thirdly, to specifically freeze doctors' fees. Where measures of this kind are applicable to the State, for example, water rates, electricity and public transport, we would support any Government initiative to introduce legislation to implement them. However, with the end of this part of the session and the complicated nature of the legislation in Canberra, we would not go further than to thank the Government for the courtesy of allowing the debate so far.

**The Hon. J.C. BURDETT:** I support the second reading of this Bill. It proposes a solution, which is one of the options, to the very dire straits the Australian economy and the South Australian economy find themselves in at the present time. That is what I said earlier when I spoke on the question of the adjournment. It is not just a piece—

**The Hon. Frank Blevins:** You are in order now. You were not then.

**The Hon. J.C. BURDETT:** I was in order then. I was speaking about when the matter should be debated. It is at least starting to filter through to the people of this State. The press has taken it up and done very well—this morning's *Advertiser*, the *News*, the electronic media. People are starting to get the message that it is not just a matter of ordinary legislation, but something that is vital. There is no doubt whatever, in my view, and this has been clear from the press and from learned commentators who have spoken about the matter, that we will not be able to sustain our standard of living in real terms. For many years, we have been lucky in South Australia, and Australia as a whole, to continually raise our standard of living. We have got to the stage where we have in most households all the household things which we require. Most households have one or two cars, a boat in some cases, and so on. We have increased our standard of living, but that time has gone. We will not be able to increase our standard of living or our wages and income in real terms. We will not be able to sustain even our present income in real terms; that is inevitable. The question is how the reduction and the belt tightening that has to occur will happen. Will it happen in an ordered way following a lead by the Government? There has been no lead whatever by this South Australian Government.

There has been an amazing example of dilly-dallying, of fiddling around and lack of leadership. There has been no leadership. One way that the belt-tightening can occur is with a lead by a strong Government in a dire situation, and this is a dire situation.

The Government can take the lead through legislation and in other ways through consensus and so, if that is possible, achieve an orderly way of dealing with the situation. That is one option. The other option is that the Government does nothing and, in that event, there will be chaos. The result will be much worse if that applies.

The alternatives are an orderly way of facing the fact that we have to have a lower standard of living in real terms, or at least not an increase in the way that we have in the past. That is one alternative. The other is to do nothing. If we do nothing, people will be hurt seriously when the State's finances collapse completely, and that will be the result. I know that at present many people are hurt badly through unemployment and other situations resulting from the poor economic situation. However, that will be nothing compared to what will happen if the State's finances collapse completely.

I agree with some of what the Hon. Lance Milne said. The situation is complex and cannot necessarily be solved by the stroke of a pen or by an Act of Parliament. No-one, including the Leader who moved the Bill, really expects the Bill to be passed or defeated today or tomorrow. What we do expect is for the Government to say something about it, to say something further about the issue that is on everyone's lips. We expect the matter to be debated and, if there has been a realistic debate, then the matter can go over to February. We are saying that this is an absolutely vital matter on which Parliament ought to comment and on which the Government ought to comment. It should comment now. For these reasons, I support the second reading.

**The ACTING PRESIDENT (The Hon. C.M. Hill):** Before calling on the Hon. Mr Gilfillan, I remind the Council that this is the Hon. Mr Gilfillan's maiden speech and he is entitled to the usual courtesies.

**The Hon. I. GILFILLAN:** I think my maiden speech will be fairly short. I speak in support of the Hon. Lance Milne's reasons supporting the introduction of this Bill. It is not that we support it in its entirety but we believe that it was essential that the matter be brought before the Council for debate as some sort of encouragement in urging the Government to follow the theme being developed around the whole country and to take dramatic steps to correct the current situation.

The amendment that we intend to move seeks to delete all reference to the freezing of salaries for public servants and the private sector, because we believe that that is not

the prerogative of the Opposition. Nor is it the appropriate measure by itself to deal with the economic malaise that is gripping Australia at this time. We intend to leave the provision which deals with Parliamenty salaries in order to give the Council a unique opportunity to create legislation that would set an example that would be pacesetting, so that we could provide a first step for other Australians to follow and make it easier, we would hope, for the South Australian Government to evolve the right sort of legislation to implement a wage pause and the other necessary adjuncts that will have an ameliorating influence on the economic situation in Australia.

My maiden speech may be of little informational significance or sex appeal, but I hope this indication of our amendments will be of value, as we would support a freeze or pause in connection with Parliamentary salaries. We hope that this will show clearly that the Democrats believe that it is no good formulating ideas on what other people should do unless we are willing to set an example first. This is a clear-cut way in which we can do that. We intend to move that amendment and we hope that this Council and another place will support it.

**The Hon. L.H. DAVIS:** The wage freeze has been a subject that has been pressed not only in this Council but also in another place by the Liberal Party because it is our firm view, at least in this Chamber by members on this side, that the newly installed Labor Government should demonstrate some leadership in this field. Indeed, the people of South Australia who voted the Labor Party into office on 6 November are entitled to ask where is the leadership and action to match the slogan 'We want South Australia to win'.

The fact is that already, just on the matter of finances, the Labor Government has demonstrated an ability to twist like a worm on a big hook, to resile from the promises it made before it was in Government, to shirk the reality of a difficult State financial situation and to blame the Liberal Party.

**The Hon. C.J. Sumner:** How can you blame anyone else for the events of the last three years?

**The Hon. L.H. DAVIS:** The fact is that the Labor Party is no longer in Opposition and is in Government, where the buck stops. I should remind the Council that it is not as if the wage freeze is a novel proposal. This matter was raised first by the Federal Government on 12 November—33 days ago. The Premier has known about it for 33 days.

Honourable members have seen Mr Bannon consulting, consulting, and consulting. We saw him with the 12-point plan which in some mysterious way became a six-point plan and which is now a pointless plan. In fact, in the interview reported in today's *Advertiser* between the Premier and political reporters Matt Abraham and Alex Kennedy, as referred to by my Leader earlier today, the Premier was asked this question:

> What is your package? How are you going to achieve wage restraint? How is it going to work specifically?

The Premier's answer was:

> That will emerge in the next week or so.

In reply to the question 'Do you know?' the Premier stated:

> At this stage it is just taking shape. I know what is in my mind.

It is about time that the people of South Australia had the door opened to Mr Bannon's mind and found a few of the answers to this important question. We are not just playing politics in this matter, because we are talking about the South Australian economy, about the survival of the South Australian economy. We are talking about the people of South Australia being able to win through these tough economic times that we are now in.

Government members take the view that the economic difficulties that we are now encountering in Australia are the fault of the Federal Liberal Government or, perhaps more locally, the fault of the State Liberal Government over the past three years, but they should take a moment to look around the world and examine the global situation.

The facts are indisputable and inescapable. The facts are that in America the unemployment rate is 10.8 per cent, the highest it has been for 40 years, and in England the unemployment rate is 13.8 per cent, Canada has a similar unemployment level, and Italy's is even higher. Those rates, which are dramatically high, reflect the severe economic recession that the world finds itself in. The fact that Australia's unemployment level is 8 per cent and rather lower than that of many of the major Western economic countries no doubt, to some extent, reflects the fact that we were held up for a longer period by heavy private capital investment in the resources sector. Now that that expenditure has dried up we are finding ourselves caught by this economic downturn. Australia, as a great trading nation, finds its export trade drying up and, as a great rural producer, it is suffering from the exingencies of the drought.

**The Hon. C.J. Sumner:** You didn't allow for the drought in the Budget.

**The Hon. L.H. DAVIS:** The Hon. Mr Sumner raises that point, which is an absolute red herring, but I will answer him. As the Hon. Mr Sumner well knows, the Budget is fashioned by late July or early August, one would imagine well before anyone could say with certainty what would be the severity of the present drought.

**The Hon. C.J. Sumner:** It was obvious at the end of October.

**The Hon. L.H. DAVIS:** For the Hon. Mr Sumner to say that the Government did not make adequate allowance for the dramatic effects of the drought in South Australia is misleading and also dishonest. I return to the problem existing around the world: we are in a difficult economic situation. That is the very reason why solutions must be found. I am not a great believer in job creation schemes, but one of the small side effects of the proposed wage freeze is that at least some money will be made available to various State Governments for welfare housing and other measures, and there will be some spin-offs in terms of jobs.

However, in terms of the dramatic impact that that money will have on job creation, one has merely to look at what the State Labor Government did during the three-year period in the second half of the 1970s to realise that the $50 000 000-plus spent on the SURS programme generated only marginal benefits in terms of employment. The Hon. Mr Sumner is no doubt familiar with the detailed analysis of the effect of SURS on the unemployment figures produced for the 1982-83 Budget by the Under Treasurer. Government themselves cannot create employment by heavy spending. Certainly they can act as a catalyst by increasing capital works programmes. They can assist in that regard, but ultimately the generator of jobs will be the private sector. For the private sector to be able to generate jobs it needs to be profitable. That, of course, is one of the great concerns that we have in Australia today: we do not have a sufficient level of profitability.

Mr Bannon, 33 days ago, knew that a proposal for a wage freeze, in conjunction with the Federal Government, was being put forward. The Commonwealth Government, in calling for a 12-month wage freeze, said that this was necessary because unemployment in Australia was at the highest rate for more than 40 years. As far back as 15 November, the special Premiers' conference in relation to the freeze was convened on 7 December. So for Mr Bannon still to have his programme in his mind, as he said this morning he has, is absolutely ludicrous. It is worth noting that Mr

Bannon, of all the State Premiers in Australia, stands alone in doing absolutely nothing. One has a growing suspicion that rather than following the slogan 'We want South Australia to win'. Mr Bannon, because of pre-election commitments, is finding that he must kowtow to the slogan 'We want the unions to win.'

Let us see what New South Wales—another Labor State—has done. The *Financial Review* of 10 December makes the point that the New South Wales Government has joined with the Victorian Government, another Labor Government, in placing a six-month freeze on State charges and Public Service wages as part of a plan for weathering the recession. The New South Wales Government is not only freezing Public Service wages for a six-month period but is also joining its Victorian Labor Government counterpart in proposing a freeze on prices for certain items (in Victoria, including milk and eggs). The New South Wales Premier, Mr Wran, said that he hoped that the freeze on Public Service wages was operating now, but that, if necessary, legislation to enforce such a freeze would be introduced. There we have Mr Wran saying 'We will have legislation, if necessary,' so in both New South Wales and Victoria there has been action in this matter.

We have seen from the *News* today that there has certainly been action at the Federal level. The legislation introduced into the Federal Parliament yesterday, we are told, will be passed today with the support of the Australian Democrats, but more of that later.

**The Hon. R.C. DeGaris:** With their amendments.

**The Hon. L.H. DAVIS:** Yes, with their amendments. This legislation will cover 476 000 workers, including Federal politicians, judges and the defence forces. It will prohibit tribunals granting rises in professional fees paid by the Government including pharmaceutical fees and scheduled fees for medical benefits. Also, the Federal Government has indicated that on Thursday it will be represented before the Full Bench of the Arbitration Commission in an attempt to extend the freeze to the private sector to include company profitability and to help the weak economy.

We know that those hearings scheduled for Thursday are in reference to awards covering all workers including transport workers and journalists. Who knows, our friends in the gallery may be joining the politicians on the floor of this Chamber in setting an example to the people of Australia in a wages freeze. So, there is quite specific evidence that in New South Wales and Victoria, with which the Premier Mr Bannon claims to be so closely linked and at the Federal level there have been specific measures, with or without legislation, designed to introduce a wages freeze.

**The Hon. G. L. Bruce:** I suppose they should go on to part-time work as well—a combination.

**The Hon. L.H. DAVIS:** Let us look at what the Democrats position is. I was pleased in one respect that my friend, the Hon. Lance Milne, has at least gone some way in joining with this side of the House in supporting the proposed legislation. However, I am disappointed that he has not sought the broader approach that is set out in this legislation, which covers not only Parliamentary salaries but also those of the public sector and other areas covered by awards. I find it quite remarkable, and perhaps somewhat disappointing, that the Australian Democrats in South Australia say 'Yes, we will have a freeze, but it will be a freeze on Parliamentary salaries only and nothing else.' However, it really does not cover the work force and does not in any way achieve anything.

**The Hon. K.L. Milne:** We didn't say it did.

**The Hon. L.H. DAVIS:** We should at this stage be trying to produce a freeze that will affect the whole work force. I find it remarkable that the Australian Democrats in South Australia say, 'Yes, we will freeze Parliamenty salaries'; but we find, if one believes the *News* of this afternoon—and I have no reason to disbelieve that the Democrat Leader in Canberra, Senator Chipp, stated that the Australian Democrats would support the legislation to freeze the salaries of 470 000 public servants at a Federal level—the Democrats will support that legislation. I find it disappointing and inconsistent that the South Australian Democrats do not go along with their Federal colleagues in supporting the spirit of the legislation.

**The Hon. K.L. Milne:** We said that that's all we would support of your Bill. We would support a Government Bill much further.

**The Hon. L.H. DAVIS:** The Hon. Lance Milne says that he would have supported a Government Bill much further. I hoped that I would be able to join him in supporting a Government Bill, because one had the impression that, if a consensus arrangement was not to be achieved between employers, employees, and the Government to implement a salaries and wages freeze in South Australia, legislative action would be taken.

However, it is quite clear that in this State no decision has been made about what should be done, no legislative action has been taken, and obviously, with the Parliament scheduled to rise tomorrow, no action will be taken. There has been no public announcement by Mr Bannon as to what will be done on the wage freeze. South Australia is the only State where no action has been taken, and this involves a new Government that campaigned under the slogan, 'We want South Australia to win'; I find that absolutely scandalous. I can sense the reason for Mr Bannon's discomfiture and why he has deviated from a 12-month freeze to a six month freeze in a statement today by saying:

> It is in my mind, and I will not tell anyone else about it.

I can sense the reason for his discomfiture by reading journals such as the South Australian *Teachers Journal* of 8 December 1982, in which it is stated that the State's major public sector unions met on 23 November to consider possible joint approaches in the light of interstate salary movements. The journal makes the point that the unions rejected the idea of a wage freeze, whether on its own or as part of an economic package, aimed at reducing inflation and unemployment.

In fact, the South Australian Institute of Teachers reaffirmed its decision to ensure that joint union salary negotiations take place, aimed at achieving wage increases to maintain the level of real wages. It is not interested in a wage pause or in the economic health of this nation: it is interested only in feathering its own nest, and to hell with economic responsibility. Given that there were secret meetings behind closed doors with the teachers and presumably with other public service unions in the months leading up to the election, I am not surprised that the Premier has been so reticent to say publicly that the unions must pull in their horns and come to grips with economic reality. That comes as no surprise to me and my colleagues, and it would certainly come as no surprise to members opposite.

Of course, it is also disappointing that, at the Federal level, Mr Cliff Dolan, the A.C.T.U. President, stated that he expected the unions to push for a 6 per cent wage increase notwithstanding the freeze. Reports at the weekend in the media suggest that the unions seem certain to push an across-the-board 6 per cent wage campaign and are not particularly interested in the wage freeze. Certainly, Mr Bannon has not had the courage to come out publicly and say that the unions must consider the wage situation in the interests of the State and the nation. Presumably, he has not had the courage to say that to the unions in private, either. There has not been one word against the employees. In fact, I am beginning to believe that Mr Bannon, as Treasurer of this State, really does not understand economics.

He is quoted in the *Advertiser* of Thursday 9 December as saying:

> What happens at the end of the pause? What happens if there has been a major price increase over that time and the real value of the wage has dropped sharply? In these circumstances, a wage pause would not be accepted.

That is a most remarkable statement. Quite clearly, the Premier does not understand that wages have been increasing faster than have prices and profits, and any person who understands anything about economics would realise that that just cannot continue. The fact is that over the past 30 months average wages have increased by 40 per cent and prices have increased by only 26 per cent.

**The Hon. G.L. Bruce:** What about profits? What has happened?

**The Hon. L.H. DAVIS:** I am glad that the Hon. Mr Bruce said that, because, after I have told him about profits, he may have the guts to cross the floor and support this motion. Over the past 30 months average wages have increased 40 per cent and prices have increased by 26 per cent. Yet Mr Bannon as Treasurer has the temerity to say that he would not support a wage pause if employees could not catch up the full value of what was given throughout the wage pause. That tends to demonstrate that, with his knowledge of economics, Mr Bannon would be out of his depth in a carpark puddle. He really does not understand that, if there are no profits, there is nothing with which to pay wages. On Friday 10 December, a day after Mr Bannon's ignorant economic statement, the United Trades and Labor Council Secretary, Mr Lesses, was quoted in the *Advertiser* in regard to A.C.T.U. policy as stating that if there was a six month pause, there would have to be an immediate catch-up at the end of that pause.

That is exactly what Mr Bannon stated the previous day. Quite clearly, there is very strong evidence to suggest that Mr Bannon and the unions are acting in concert, if for no other reason than that the promises that were made before the election must be kept. Even Mr Bannon's colleagues in the Labor States of Victoria and New South Wales have accepted the economic justification for a wage pause. Mr Bannon stands alone as one who does not support them.

The Hon. Mr Bruce referred to profitability. I have already made the point that, over the past 30 months, average wages have increased by 50 per cent more than prices have increased. The situation in regard to profits is perhaps even more frightening. The wages and profits share, as a percentage of non-farm gross domestic product at factor cost over the past decade has shown that, in the past 12 months, there has been a dramatic decline in profits share. In 1972-73, wage share of non-farm gross domestic product at factor cost was 63.2 per cent and profit share was 17.3 per cent. In 1974-75, which, of course, was the height of the difficult Whitlam years, those years which saw a wages explosion and profits escalate, the wage share of non-farm gross domestic product was 68.7 per cent and profits shrunk to 12.6 per cent. By 1979-80, the position had reversed somewhat, and the wage share was 65.2 per cent and the profit share 14.4 per cent. However, the fact is that, for the last quarter of 1981-82 ending 30 July, the wages share of non-farm gross domestic product was back to that of the time of the Whitlam years—68 per cent—and profit share had shrunk to 12.9 per cent.

So, the Hon. Mr Bruce, in asking that question, now has a very salutary answer. The fact is that in 1972-73 profits share was over 17 per cent of non-farm gross domestic product and was around its historical average. It collapsed during the Whitlam years and now, having risen steadily over recent years, has shrunk again, simply because wages have outstripped productivity, the capacity of industry to pay and profitability.

So, it is fundamental that if people wish to see the standards of living in Australia improve, they must accept the fact that for the time being there will be lower real wages. It is fundamental that until there is a recovery of profitability there will be no recovery in the economy.

The sad thing to me is that in Australia there is very little perception, especially amongst members of unions and, in some cases, employers, of the nexus between wages, profit, prices, and productivity. In other countries people are responding to the economic reality. In America, Japan, England, Germany and Sweden, the increase in average earnings last year was well below 10 per cent. In Australia our salaries and wages exploded by close to 17 per cent. In Germany, America and Canada, there have been many instances of unions coming to an agreement with employers to accept a lower real income over a period of time, and perhaps to accept a four-day week instead of a five-day week with a concomitant cut in salaries and wages. There has been a recognition by many overseas unions that in the current recession employers simply do not have the capacity to pay large increases.

Yet, the Premier of South Australia is saying that we will not give up anything and that real wages will continue unabated. We have the unions, both the public sector unions of South Australia and the A.C.T.U., saying the same thing. I find that a very sad state of affairs in the face of all the existing evidence. For instance, O.E.C.D. countries, which number 22 (Australia being one of them), conduct very valuable comparative studies from time to time. A recent study indicated that of the 22 nations Australia ranked 16th in the area of industrial productivity, which measures, amongst other things, employee costs and output per capita.

We have a long way to go in this country if we are to regain our international competitiveness. One only has to look to see what a wide range of economic commentators say about the need for a wage pause to realise that this temporary solution may well have lasting benefits. For example, the very highly respected Syntec Economic Services, only early in December, painted a dismal picture of the economy and said:

> . . . we are in for a strike by capital after the recent damaging wages explosion.

It makes the point that the only solution is to return to the 1960s, when wages rose slightly below the level of productivity increases. When real wages rise above productivity there is a cut in profit sufficient to cut the profit share of national income, and that is destructive. It takes away the profitability of companies and their ability to expand and employ.

Syntec in this significant report said that the wages push had dangerously eroded our international competitiveness. No wonder we are losing jobs in the manufacturing sector, when we cannot compete with overseas competitors. We have eroded our international competitiveness, despite significant devaluation of our dollar. Anyone who follows international currency trends appreciates that there has been a devaluation, *vis-a-vis* the American dollar, of 20 to 25 per cent in the past two years. Yet, despite that devaluation which would, prima facie, make our exports more competitive, we still are finding it more difficult to compete on world markets.

We are in a difficult position, and these are difficult economic times. They require solutions which may be difficult and which may not be perfect. It requires the leaders of our nation and States to try to come up with a solution. The Premier has given the appearance of laying dead on this matter. I find that disturbing. The people of South Australia are saying, 'Where is this leadership that was demonstrated in two weeks of magic television which was long on style and short on substance? Where is the dem-

onstration of living up to this slogan 'We want South Australia to win'? We are out of step with every other State in the nation, including New South Wales and Victoria, with which Mr Bannon so readily aligns himself.

If we want to hear some home truths, the Hon. Mr Sumner would have a great respect, as I do, for Santos Limited, which is one of South Australia's most outstanding companies. After a search for oil and gas that started in 1954, it is now a significant on-shore producer of those products in Australia and is one of the 10 largest public companies in Australia. Mr Alex Carmichael, the Chairman of Santos, who also is the Chairman of New South Wales railways, said:

> ... all working Australians would have to accept a drop in living standards if Australia was to rise out of the depression.

He said that at a conference I attended at the weekend. He said much more than that in terms of the reality of the economic situation which Mr Bannon clearly does not understand from his public comments, and which he has ignored, despite his promises over the past 33 days.

If Mr Carmichael is not good enough for the Leader of the Opposition in this Chamber and in another place, and for members opposite, then perhaps they may care to listen to comments from other great companies of Australia. The Chairman of Elders IXL, Sir Ian McLennan said:

> ... we must get back to correlating our wage levels with productivity and capacity to pay.

They are old and tired slogans. They are 1960s-type economic slogans but, sadly, they are terribly relevant today. One cannot walk away from the fact that, if a company is not profitable, it will not be able to employ people, and it will result in rising unemployment and human misery. I do not like to see that happen. No-one in this Chamber would like to see the unemployment rate of 8 per cent rise into double digits, as is predicted may occur in 1983.

The wage freeze that the Opposition suggested as a legislative measure is a solution. It suggested the freeze simply because there has been no action from the Premier, despite many promises over a period of time. The Oppositon is proposing this because we see it as a measure that has been commonly agreed to as a part solution to the problem. Obviously, it is not a total solution. One does not pretend that it will be the total solution but, at least, it is something on which there was a remarkable degree of consensus when the matter was debated on 7 December.

I want to read for the benefit, particularly, of honourable members opposite—I hope that they will convey them to their Leader in another place—the record of the comments of the Federal Treasurer, Mr John Howard, when he was asked at the weekend, 'Did Mr Bannon agree or not agree to a wage pause?' He said:

> The three labor States did not agree with [a wage pause for 12 months] on the grounds that they believed that the pause should be for a period of six months, and not for a period of 12 months and throughout the entire conference, as far as we read it, as best we could, and there was eight of us there who had the same view, eight Commonwealth Ministers—

So, eight Commonwealth Ministers had the same view—

> we had the very firm view that the problem, as far as the Labor States were concerned, was the duration of the pause, they wanted six months, and we did not think that was long enough, and not other things, and that was our view then, and it remains our view, and I can only express some surprise at the qualification that has occurred since.

If one puts the parts of the jigsaw together, one can see that in New South Wales and Victoria since the conference on 7 December there have been moves to do just what was agreed by them at that conference—institute a six-month freeze. What has happened in South Australia? There has not been any action whatsoever. Mr Bannon said last week, 'My stand, I believe, has been the most consistent.' That is what the *Advertiser* said in a little block item on the front page. It was ringed in black, and I can understand that, because it really was a very sad state.

The only thing about which the Hon. Mr Sumner has been consistent in relation to the matter of a salaries and wage freeze is his inability to come to grips with it, his inability to level and come clean, his inability to say, 'Look, we are in a bind; we have the unions on our backs. We are not prepared to do anything about it.' Why does he not come clean instead of trying to lay off this issue until Parliament adjourns tomorrow? I find that a cowardly and gutless approach from the Leader of the Government, who came to office with the high hopes of those who backed him for leadership in financial and economic matters and with big promises that have not been matched with performance.

So, the Government should know that it has the full support of members on this side of the Council in any measures that it wishes to initiate in respect of a wage freeze, which everyone understood it had agreed to at the conference in Canberra. Mr Bannon has resiled from that situation. I find that terribly disappointing. There are economic arguments, as I have mentioned, why we should reduce real wages. First, it will assist us in retaining jobs and creating new jobs. It will assist in restoring confidence and profitability to employers because, as I have mentioned already, the profit share of the gross national product is at the lowest level it has been for almost a full decade. Another economic argument in favour of this legislation is that it releases Commonwealth and State funds for job creation.

**The Hon. C.J. Sumner:** That's a damn good argument for getting rid of the Liberal Government in Canberra.

**The Hon. L.H. DAVIS:** Certainly, on the Labor Party's performance in Flinders, one could not give that much hope. So, there are persuasive economic arguments in respect of a wage freeze. In addition, there is a moral argument: the employed should recognise the plight of the unemployed by making some sacrifices. Indeed, the jobs that they save may well be their own. That would seem to be the very demonstration of social justice that the Labor Government claims to stand for. We have already seen from the examples I have given earlier of the many cases overseas where one can look at the sacrifices made by both employers and employees in trying to minimise this severe economic recession that we are in.

For instance, there is one airline in America where 35 000 employees each donated $1 800 to help to buy a Boeing jet in gratitude for no-one being sacked. Auto unions have accepted wage freezes and cuts. In Canada, 8 000 doctors in British Columbia narrowly voted in favour to each return $4 000 to the Government—amounting to $32 000 000, because of the critical nature of health care in British Columbia. There have been many cases of sacrifices made overseas. This wage freeze, which has been initiated by the Federal Government and agreed to by all State Governments in private discussions and publicly (again with the notable exception of the Premier of this State, Mr Bannon), is an attempt to look at this very severe economic difficulty. I am not saying that we should have identical responses in Australia to those overseas, but I am saying that there are many instances in other countries where workers and employers have recognised that both profits and pay envelopes alike depend on production. In this country, we must recognise that the goals of employers and employees are compatible and not mutually exclusive.

There have been some notable examples of sacrifice in Australia. For example, Elders-IXL has cut out the holiday pay loading. Western Mining, that great mineral explorer and producer in Australia, has made sacrifices in salaries at executive level. We need examples of leadership like that

across the board—in the Public Service, where they have the advantage of security of tenure, and by Parliamentarians, to set an example of leadership, and also in the private sector. I support the proposal introduced by the Leader in this House, the Hon. Mr Cameron. I am disappointed that the Australian Democrats have seen fit to not take the same line that was followed in the Federal Parliament by their colleague, the Hon. Mr Chipp, and the four other Democrats in the Senate who, by their support, will enable a wage freeze to be put in place, presumably tonight when that legislation passes, for some 470 000 public servants.

As the days roll on, it is becoming abundantly clear what this Labor Government in South Australia is doing on this matter. It is fudging this matter. It is trying to get it out of the public arena, away from the glare and spotlight of Parliament, knowing full well that Parliament rises tomorrow. It will then come out with some mealy-mouthed response to this very serious proposal, to the proposals that we had all presumed had been agreed to at the 7 December summit conference. I am disappointed, in view of the urgency involved, that the Labor Party has seen fit to avoid debate on this legislation today. I hope that it gives time for full debate on it tomorrow and that, if the Government does not have the courage to debate this issue, the people of South Australia who voted in the Labor Government only five or six weeks ago at least get a statement in Parliament, to which that Government is responsible.

**The Hon. M.B. Cameron:** Do you imagine that any of them will speak?

**The Hon. L.H. DAVIS:** At least a full and frank statement could be made by Mr Bannon so that we would at least have the benefit of knowing what was in his mind.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.J. RITSON:** It is a vital moment for the future of South Australia, and a vital issue that we are debating today. The Hon. Gordon Bruce earlier in the evening waved the front page of the *News* to members of the Chamber and we saw the headline, '200 000 may go part time'. No-one can deny or attempt to diminish the magnitude of the problem that is faced in Australia.

Unfortunately, the South Australian Premier, Mr Bannon, has spent a good deal of time in recent press interviews attempting to deny or diminish the importance of this issue. He has fiddled around and practised double speaking in a manner perhaps never before seen.

**The Hon. G.L. Bruce:** Is that all we will hear about the 200 000 part-time jobs?

**The Hon. R.J. RITSON:** I refer to the magnitude and severity of that problem, which is why we have brought this debate on today, and why we fought so hard to have time available to pursue this debate. I should like to begin by acknowledging with some gratitude the support the Australian Democrats have offered on the question of allowing time for this debate. It is clear that the matter will not come to a vote this year and, even if the Bill passes in this Council, it will founder in another place.

The importance lies not in the result of a vote here and now but in the expressive function of Parliament, because it is the expressive role of Parliament, coupled with a free press, which allows the public to read arguments and to consider the value, or lack of value, of the way in which the public is being governed. I am pleased that the Democrats recognised that vital principle and the role of Parliament and supported bringing this debate on.

Unfortunately, I understand that the Democrats intend later to move an amendment to isolate the whole issue of the wage freeze and throw it into the rubbish bin and amend the Bill merely to reduce Parliamentary salaries. If that action were really intended to be serious, if the Australian Democrats really believed that by reducing Parliamentary salaries and by doing nothing else they would be producing great benefit for the workers of Australia, they would be demonstrating a great deal of ignorance, awfulmindedness and stupidity. The Democrats would be behaving like a man trying to put out a bush fire with a water pistol.

The only other conclusion to which I can come is that the Democrats do not really believe that and, whilst they did perform their duties responsibly in allowing the debate to come on, the intention to emasculate the Bill of all the provisions in regard to a general wage freeze and reduce it to a Parliamentary salary freeze smacks of the sort of simple publicity seeking in which the Democrats previously indulged on the same question, encouraged by the former member for Mitcham but one.

The Democrats will have to realise that perhaps those days are past and that the seat of Mitcham has changed hands twice since then and there is not a lot more mileage in beating that drum.

**The Hon. M.B. Cameron:** It is a bit gimmicky.

**The Hon. R.J. RITSON:** Yes. As time passes and as the Australian Democrats read the national *Hansard* reports, as they become available, they will find that their Party colleagues in Canberra have supported procedures similar to those in this Bill, including a freeze not only on salaries in the public sector but also on a large number of other payments and charges. I refer to clause 2, as follows:

> . . .includes judgment, award, order, decision or any other judicial or administrative act.

That includes things such as the remuneration tribunal. I will come back to the way in which this provision will flow into the private sector if it becomes law.

**The Hon. M.B. Cameron:** The Democrats in Canberra appear to be mature politicians.

**The Hon. R.J. RITSON:** The Leader has paid a compliment to those Senators in Canberra. He said they appeared to be mature politicians, and I must confess that at least sometimes I have found them to be so. One of the greatest signs of maturity is the ability to eat a little humble pie and change one's mind.

**The Hon. Frank Blevins:** Did not the Democrats in Canberra say that this was a totally inadequate response?

**The Hon. R.J. RITSON:** The Hon. Frank Belvins has referred to the fact that, while supporting a similar measure, the Australian Democrats suggested that the Canberra measures were insufficient, and I will be looking at that matter. A comment in tonight's *News* was attributed to Senator Chipp, and I will be reading Commonwealth *Hansard* as soon as it becomes available. There is no doubt that the Federal Government's legislation can only achieve a certain amount because of constitutional limitations, and such legislation would be inadequate unless supported by the States.

The composite effect of the Canberra moves, State legislation, if necessary, and general public consensus is what is important. No legislation ever really works if the majority of the public are determined to disobey it. If 50 per cent of motorists decided not to register their car, the whole system would fall down. All legislation depends primarily upon compliance and on public consensus, and it is only when that public consensus produces primary compliance that there is any point in having sanctions to bing to bear on a minority of people who breach such legislation.

Therefore, I say to the Hon. Mr Belvins that the national legislation is inadequate; of course it is. To keep the Hon. Mr Bruce happy I point out the it will certainly freeze medical fees, which are closely related to the level of insurance refunds, and it will freeze payments such as Government payments to pharmacists for certain services performed in regard to pharmaceutical benefit services and pensioner benefit services.

Perhaps the Hon. Mr Bruce was unaware, but the only way those beneficial results would be obstructed is if the consensus, which on the opinion polls appears to be endemic throughout the community, is destroyed. The best way to destroy it is, for example, to have pharmacists' payments frozen by the Federal Government and for a State award to increase by 20 per cent the wages of people working for pharmacists.

If there is that sort of thinking happening nationwide the whole thing will break down, there will be public bitterness and a consensus will be lost. It is clear that South Australia is the isolated State and is being excluded on this question. The other Labor States have expressed reservations about taking up the legislative option, but the amount of moral and administrative support that they have declared for the scheme is far in excess of not just the lack of support evident in Mr Bannon's *Advertiser* interview, but the absolute sort of fear and terror of taking the tiniest step in the direction of a wages freeze which runs through the report of that interview.

This does, of course, lead one to wonder as to the origin of this fear or panic in Mr Bannon's mind. As one looks at the various newspaper clippings of political matters that preceded the Premiers' conference, the origin of this anxiety that has been besetting the Premier becomes obvious. It is an anxiety that those unions, which (by their actions during the campaign for the last election and by the political investment of their members' money in election campaigns) raised Mr Bannon to the pinnacle of power, are now expecting their reward.

Which are the unions involved? I suppose the front-runner is the Institute of Teachers. If one looks at the *Advertiser* of 6 December 1982 one sees an article headed 'Freeze could hit the young; S.A.I.T.', which states:

> The job chances of South Australian school-leavers could be further jeopardised by the Federal Government's proposed wage freeze according to the President of the South Australian Institute of Teachers Leonie Ebert. Youth unemployment would climb to more than 50 per cent with the adoption of a wage freeze, she said at the weekend.

That is extraordinary.

**The Hon. J.C. Burdett:** It would work the other way around.

**The Hon. R.J. RITSON:** Of course it would work the other way around. The article later quotes the Chairman of the Federal Government's Employment and Youth Affairs Subcommittee saying that Leonie Ebert's claim did not stand up to rational economic analysis. However, no-one suggested that Miss Ebert is capable of rational economic analysis.

**The Hon. M. B. Cameron:** She thinks so.

**The Hon. R. J. RITSON:** That is a separate debate. As I said, the Chairman of the Federal Government's Employment and Youth Affairs Subcommittee went on to say:

> Employers have made it clear that rapid increases in labour costs, both wage and non-wage benefits,—

and I emphasize 'wage and non-wage benefits'—

> have been a major factor in causing retrenchments.

That may be phrased in words of too many syllables for Miss Ebert. When I make these sorts of statements in the House Miss Ebert usually writes me a letter demanding an apology, so I suppose I will receive another one on this occasion. Perhaps put in fairly simple terms it really means that if you have 10 workers and you are paying them $10 each—

**The Hon. M.B. Cameron:** Make it simple so that she can understand.

**The Hon. R.J. RITSON:** If we had two workers and were paying them $2 each and we wanted to take on another worker but the first two workers said that they wanted $4 each we might say to them that if we have to give them $4 each instead of $2 each we could not take on another worker. I hope I have made that quite clear. The Chairman went on to say:

> Wages generally are higher than unemployment benefits, so by keeping more people employed the wages freeze will ensure a higher level of consumer spending than otherwise, and so provide more jobs.

I know these are very simple bits of rationale, but I think it needs to be said because the Teachers Institute, having spent a huge sum of money placing Mr Bannon on that pinnacle, opened the batting by saying that a wage freeze would reduce employment. Of course, the teachers want to be paid back, and will be paid back. The Government has no concept of what that is going to cost it. The figures issued by the Government as estimated costs of fulfilling its promises to the teachers are based on a fairly straightforward multiplication of the median salary of teachers. They have no concept of the extra encouragement they are going to get for relief teachers to relieve the teachers they have taken on, for the holiday pay loadings and for the claims that will come in for the nexus with teachers aides. Really, the median wage times the number of teachers without taking into account those other things and the cost of the extra administration (because of having to take on public servants to administer the pay and conditions for the extra teachers) will blow out.

The Labor Party was also assisted to the pinnacle of power by the Public Service Association. The big policy arguments of the Public Service Association were actively or tacitly accepted by the Labor Party during the campaign, and the advertisements appeared regularly talking about the need to expand the public sector, in direct conflict with our policy of controlling or slightly diminishing the public sector. So here one has these two big unions pouring money into the campaign and saying, 'We are going to employ the extra teachers and then employ the extra public servants to administer them in an effort to expand the public sector to please the Public Service Association, which also has to be paid off!' In fact, there is quite a list of unions which have to be paid off. The S.A.I.T. and the Public Service Association are only two of those unions, but other unions were listed.

Mr Bannon is not sitting down and considering deeply the right thing to do for South Australia. He is trembling in his boots and stuttering his way through *Advertiser* interviews while avoiding saying anything, because he is beside himself about either how to pay off these unions or how to say 'No'. It will be very hard to say 'No' to them because although he controls Caucus, we saw at the last State convention of the A.L.P. that the floor of the State convention is not controlled by the moderates of Caucus and that these unions have the numbers on the floor of the A.L.P. State convention. So, there is no way that he can do the right thing by South Australia and repay those debts to those unions while keeping all factions of his Party happy. That is why he is doing nothing, and that is why he is talking in circles. Someone has to do something, so this Bill has been introduced for the purpose of debate. For that reason I support the Bill.

**The Hon. R.C. DeGARIS:** I have listened with interest to the debate on the Bill, and let me say quite clearly at the beginning that a wage freeze in Australia is a necessary action at this stage. We must understand exactly what the Federal Parliament intends to do. There is no guarantee of legislation at this stage, because the Liberal Party does not have the numbers in the Senate. While the Democrats have stated that they will allow a Bill to go through, no one can say what the Bill will provide. When that Bill is passed, we

will know what complementary legislation will be required at the State level.

I have listened for some days to a rather constant attack on Premier John Bannon by members in this place. In my opinion, that sort of attack should be left to the confrontation type politics that are followed in the House of Assembly. Because we do not know at this stage what the Federal Bill will contain, what can we say about this Bill? First, I do not believe that this is the type of Bill that should be introduced or initiated in this Council: it is the sort of Bill that should begin in the House of Assembly. We could waste time in debating the Bill at length and, even if it was passed in the Council, the Government numbers in the House of Assembly would always have the last say. Should the Bill go much further than the question of the wages section of the community? This Bill covers that area only. Should we consider the matter beyond the question of wages and salaries? Will the Democrats in Canberra consider medical and legal fees, for example? They may do that. No-one in this place can say whether that would be right or wrong.

Properly, those matters should be considered as well. This Bill has not been thought through to the end, and I can give one example—the question of Parliamentary salaries and allowances which is included in the Bill. Are we to stop the Parliamentary Salaries Tribunal from considering the costs of members in their providing a service to the community? Is it fair that, if the Government is faced with a tax on petrol, if there is a petrol rise due to taxation, as there may well be, the tribunal cannot consider the increased cost to members such as Graham Gunn or Peter Lewis?

*The Hon. L.H. Davis interjecting:*

**The Hon. R.C. DeGARIS:** I cannot help that. To stop the Parliamentary Salaries Tribunal from considering the increased costs to a certain section of the Parliament is to ask one group of Parliamentarians to bear the full brunt while a member who lives in Norwood or Torrens is not subjected to any increase of this kind. If the Bill is to pass, the question of allowances and costs to members of Parliament should proceed so that there is a balance between all members of Parliament in relation to this wage freeze. I am not arguing the case against a wage freeze: I believe that it is necessary. However, the Bill has not been thought through to its full ramifications. With those comments, I will leave the Bill as it is.

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

*[Sitting suspended from 6.5 to 7.45 p.m.]*

## SUPREME COURT ACT AMENDMENT BILL (No. 2)

**The Hon. C.J. SUMNER (Attorney-General)** obtained leave and introduced a Bill for an Act to amend the Supreme Court Act, 1935 - 1982. Read a first time.

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

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

It is in the same form as a Bill introduced into the Legislative Council by the former Attorney-General and is of monumental importance in running the State of South Australia. It deals with the prescription of court fees in respect of proceedings in the Supreme Court.

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 (as did the former Government) 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 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. K.T. GRIFFIN** secured the adjournment of the debate.

## MINING ACT AMENDMENT BILL

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

**The Hon. C.J. SUMNER (Attorney-General):** I move:

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

It deals with a problem relating to the payment compensation in respect of mining operations conducted on exempt land. Section 9 of the principal Act provides that certain land shall be exempt from mining operations but that the exemption ceases if compensation is fixed by agreement or by decision of the Land and Valuation Court. Upon completion of the operations in respect of which compensation has been paid, the exemption revives.

One of the categories of exempt land under section 9 is land in the vicinity of a dwellinghouse, factory or other buildings or structures specified in the section. These structures are in some cases situated on land that is adjacent to, but separate from, the exempt land on which it is proposed to carry out the mining operations. It is obviously fair that, in such cases, the owners of these structures which give rise to the exemption should share in the compensation payable by the mining operator. The present amendments give effect to that principle. I seek leave to have the explanation of clauses inserted in *Hansard* without my reading it.

Leave granted.

**Explanation of Clauses**

Clauses 1 and 2 are formal. Clause 3 amends section 9 of the principal Act. Paragraph *(a)* replaces paragraphs *(a)* and *(b)* of subsection (3). New paragraph *(b)* of subsection (3) makes clear that the Land and Valuation Court must assess compensation if asked to do so by a mining operator. Paragraph *(b)* of the clause inserts new subsections (3*b*) and (3*c*). Subsection (3*b*) defines the persons entitled to compensation. New subsection (3*c*) makes quite clear that an agreement or determination under subsection (3) and conditions attached to that agreement or determination will operate for the benefit of successors in title to the land and to the mining tenement.

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

## RACING ACT AMENDMENT BILL (No. 2)

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

**The Hon. C.J. SUMNER (Attorney-General):** I move:

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

It is designed to amend the Racing Act to enable bookmakers to operate at the Bay Sheffield Carnival conducted by the South Australian Athletic League as part of the Proclamation Day celebrations.

It is envisaged that this initiative will generate further support for the carnival, which is one of South Australia's major sporting events including, as it does, the second richest foot race held in Australia.

South Australian foot racing will benefit financially under the proposal, as it is intended that 1.4 per cent of the total amount bet on foot races at the carnival will be paid to the South Australian Athletic League. This payment will be on the same basis as the other payments based on betting turnover presently paid by the Betting Control Board to South Australian horse racing, trotting, greyhound racing and coursing clubs.

The operations of bookmakers under this proposal will be strictly controlled by the Betting Control Board and its betting supervisors. It is intended that each permit authorising a bookmaker to operate at the Bay Sheffield Carnival will contain conditions limiting the races on which he might accept bets to professional foot races and preventing cross-code betting.

The representations that have been made to successive Governments urging that this inititative be taken would indicate that it has wide public support. In bringing this measure forward at this early stage of the session, the Government anticipates its being in force in time to be of benefit to this year's Bay Sheffield. The Government will, of course, proceed with its other proposals for the assistance of the racing industry at the earliest possible opportunity. In commending the Bill to hourable members, I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

**Explanation of Clauses**

Clause 1 is formal. Clause 2 amends section 85 of the principal Act which sets out definitions of terms used in Part IV in relation to betting with bookmakers. The clause inserts new definitions relating to foot races, that is, races between persons on foot. Under the clause, the term 'race', as used in Part IV, will include a foot race that forms part of the foot race meeting known as the 'Bay Sheffield Carnival' conducted by the South Australian Athletic League Incorporated. This will mean, in particular, that the Betting Control Board will be able to issue permits under section 112 authorising licensed bookmakers to accept bets on foot races that form part of the Bay Sheffield Carnival.

The present provision under section 114 for payment by bookmakers to the Betting Control Board of a percentage of bets made with them and for payment by the Betting Control Board to racing clubs of 1.4 per cent of those bets will also apply in relation to betting on foot races at the Bay Sheffield Carnival in the same way as it presently applies in relation to other races. Clause 3 makes a consequential amendment to section 112 reflecting the fact that, as in the case of coursing events, there will not be totalisator betting on foot races.

**The Hon. K.T. GRIFFIN** secured the adjournment of the debate.

## ADDRESS IN REPLY

Adjourned debate on motion for adoption

(Continued from 14 December. Page 92.)

**The Hon. DIANA LAIDLAW:** I thank His Excellency the Governor for his speech when opening this, the Forty-fifth, Parliament. I support the motion for the adoption of the Address in Reply. His Excellency the Governor highlighted the severe economic problems facing our State and forewarned that 1983 could be one of the most difficult years in half a century. The Governor stressed that a vigorous private sector is essential for the long-term well-being of the State. He also stressed the importance of ensuring that companies in South Australia remained competitive with those located in other States.

I appreciate and share the concern of the Government about the state of our economy. I welcome its recognition that a prosperous and sound private sector base is vital if we are to realise our full potential.

Further, I applaud the Government's acknowledgement that many matters of importance should be tackled in a bipartisan and consensus way and that it will actively attempt to develop this common approach.

If we are, however, to recover from our present woes without too many permanent scars and welts, and if we are to retain the jobs we have at present and create new ones, South Australians also require from the Government decisive, creative and compassionate leadership—leadership that is prepared to take us into its confidence, to capitalise on all opportunities as they are presented, and to work diligently and with integrity on our behalf—leadership that is not beholden to any one section of our community nor is blinkered or bound from searching out and pursuing all options for long-term employment, leadership that encourages enterprise and does not shy from the word 'profit'.

'Profit' determines the capacity of business to grow and to employ, and it determines the capacity of governments to provide the educational opportunities, community services and the like that we seek for ourselves and our families. I stress this point, because within our community and within the leadership of some trade union organisations, in particular, the term 'profit' is often derided and its full significance misunderstood. I cite, for example, part of a resolution passed by the United Trades and Labour Council late last month opposing the Federal Government's call for a wage freeze as follows:

> The whole thrust of [the Federal Government's] actions is to ensure maintenance of profits in the economic crisis at the expense of people.

The fact is that the two cannot be separated. The State Government would be wise to explain to the community and to take heed itself of the relationship between the ability of business to compete and prosper and its own capacity to fulfil its election programme and face, with any degree of confidence, the people at the next election.

For the record, Governments within the Western world are being defeated with ever-increasing frequency because electorates share a mood of frustration that Governments, of whatever philosophy, appear unable to stem the present economic downturn or the number of people joining the ranks of the unemployed.

In Europe in recent years socialist Parties have lost power in Great Britain, Belgium, Norway, Luxemburg, West Germany and The Netherlands. The conservatives or moderates have lost power in France, Greece, Spain, and Sweden. Whilst there is no set pattern, 10 countries in Western Europe have seen a change of Government, and Portugal has had several. Meanwhile, in this country over the same period, New South Wales, Victoria and South Australia have turned to Labor, whilst Tasmania has done the opposite. The new Labor Government in this State is acutely aware that it must perform or else it, too, will surely suffer a similar fate. An exception to the pattern that I have outlined

is the seat of Flinders. Judging by the success of the Federal Liberal Party at the by-election earlier this month, it is highly likely that the next Federal election will provide a further exception, with the Liberal Government being returned.

I record my thanks to the State Council of the Liberal Party for including me in the Liberal team at the last election, and to the electorate for giving me the opportunity to serve in this Council. I hope that I shall not disappoint them. I wish, also, to pay tributes to those members of this Council who have retired since the last Parliament. I refer to Mr Boyd Dawkins, Mr John Carnie, Mr Norm Foster and my father. These four former members are diverse characters. Each made an impact on this Chamber and each served the State with honesty, integrity and distinction. I pay a tribute, also, to the officers of this Council and to the various members of staff within this Parliament for the assistance and kindness that they have extended to me since I entered this Chamber and during the three years previously in which I served as a Ministerial assistant.

Standing here today, I am conscious that I am only the fourth woman member to be elected to this Chamber since its formation, that I am the only woman representing the Liberal Party in this Chamber at the present time, and that of the 69 members in the two Houses only six are women. Following the last election the number of women increased from three to six—the highest number to serve at any one time. It is my hope that after the next election this imbalance will be redressed further. After all, half our population is female, and forecasts suggest that this proportion will increase towards the year 2000. Women have a right and, indeed, a responsibility to contribute to our society and, as part of this, to serve in public office. I trust that no member shares a view expressed by Mr Des Frawley, a member of the National Party, Queensland, who said when speaking on a matter of public importance on 18 August last:

> I do not mind having women in politics as long as there are more men than women. But once women get the upper hand we will be in trouble. As long as men hold the majority it is fair enough to have women in politics. I have a lot of respect for the two women who are presently in this Parliament, but that is all we want; we do not want any more of them.

I did not strive to enter this Chamber in order to be a spokesperson for women's rights. It is my view that every member, in the performance of his or her job, has a responsibility to understand the aspirations and needs of women and to help advance their interests and prospects. His Excellency outlined the Government's commitment to pursue policies to achieve genuine equality of opportunity for women, and I will support the Government in these endeavours.

Although I stand here because the Liberal Party included me in its Council team, and although I believe strongly in Liberal principles and will work to uphold them in our community, it is my hope that I will be judged as an individual who does not harbour undue prejudices and as a person who has the ability to understand, if not agree with, a variety of points of view.

On occasions, others in this Council have deplored the fact that politicians are probably the most distrusted group of professionals in the community. The public's perception of us colours their regard for our political system—a system that we should be preserving and strengthening for future generations. The onus is on us to restore our credibility. If we have the will, we must encourage Governments to be more open in their approach and to take the electorate more into their confidence. Excessive secrecy, far from advancing the democratic processes, is in fact potentially destructive. In addition, we must adopt, as His Excellency noted, a bipartisan approach to complex problems and, among other measures, be prepared to make tough decisions and sacrifices, however unpalatable they may be at the time. Indeed, for example, if there is to be a wage freeze in the near future, a measure which I support, we should be the first to freeze our wages and our allowances.

I said earlier that I stand here also as a Liberal. Because I believe above all in the individual, in diversity, in tolerance and in caring about my fellow beings, I could be a Liberal only. The Liberal tradition is based fundamentally on the recognition of the inherent dignity of each individual and respect for his or her inherent value. Liberalism asserts that solutions to human problems are within the human ken. It asserts a faith about our ability to survive and to progress, to build a society which, in encouraging the bold, rewarding the innovative and the excellent, equally manages to protect the weak, help the infirm, care for the sick, and aid the needy. As a Liberal, my aim is to see a more equal society, not by penalising the successful but rather by encouraging more success in all.

I would be less than honest, however, if I did not acknowledge that my philosophy is under challenge at the present time. The threat is not from the dogmas of conservatism or socialism, but from unemployment, youth unemployment, in particular, coupled with new and rapid advances in technology. The disillusionment and the frustration of our young is one of the greatest problems facing our state and nation today. It is no consolation that the problem applies throughout the world—in parliamentary democracies and in centrally planned economies.

In October this year, there were 39 000 teenagers registered with the C.E.S. looking for their first full time job. This month, according to State Education Departments, 236 000 school leavers will emerge from high school. About 25 per cent, or 60 000, will mark time until colleges or universities open in the new year. The Department of Employment and Industrial Relations has predicted that, of the remaining 176 000 school leavers, 70 per cent will find jobs by February. This means we can expect that by early next year 53 000 of our school leavers will be added to the growing numbers of unemployed in this country. Their situation is bleak, and regrettably more so in South Australia where youth unemployment is double that in Queensland. The great danger we face is that by the end of this decade we shall have produced a generation of young people, a high percentage of whom have never worked.

It never fails to appal me when I hear older people secure in a well-entrenched job say condescendingly that so many of the young today have no interest in working. On the contrary, while I acknowledge that a few would view unemployment as a justification for inactivity, I believe that nearly every young person who leaves school today wants to find a job appropriate to his or her training. The O.E.C.D.'s Centre for Educational Research recently completed a project which analysed the views of young people on education and work. The study reveals that the widely prevalent belief that young people reject work is a false one. It notes that the attitudes of the young, far from becoming more critical, have become less so and consequently they are willing to lower their job expectations in the interests of security.

However, our young are becoming increasingly frustrated because so many are either unable to find work or are unable to find work that bears any relation to their training. At other times, aspiring tradesmen and women who enter an apprenticeship of their choice are given such menial tasks initially that they too readily become dissatisfied. The dynamic feeling that hope brings to human endeavours is gradually being replaced by an anxiety—even an apathy—as many of the young come to believe they have lost control over the consequences of their own efforts.

Having a job is not simply a way of earning a living. It is an element considered essential to our psychological well-

being and our sense of recognition and acceptance as legitimate members of the community. A society that fails to provide opportunities to exploit people's talents and holds out little hope or no prospect of doing so in the future is hardly the best environment for fostering involved and responsible citizens.

Unless we all make a more concerted effort to overcome this growing problem of youth unemployment pretty quickly, I believe that groups of our disillusioned and frustrated young will in time take to the streets challenging the democratic society to which everyone in this Chamber, so far as I am aware, adheres. To date, we have seen only a few isolated incidents of such action. Nevertheless, I suggest that we should reflect on the situation of Michael Southall, aged 17, and one of 3 000 jobless and threatened workers who marched from Wollongong to Sydney earlier this month. He has not worked since he left school a year ago. When questioned by a correspondent from the *Bulletin* as to what he was going to do, Michael replied:

> I'm going to join a left-wing Party—I don't know which one yet because I don't know all the differences between them. But they are the only Parties that offer me any hope of a job one day.

Because of traditional attitudes, society attaches less of a stigma to jobless girls, if it does not dismiss female unemployment as altogether unimportant. This matter has concerned me for some time, and I commend the State Government on the prompt attention that it has given to the creation of a task force to investigate the high proportion of females out of work and the barriers to their employment in South Australia. Young women suffer a higher rate and longer duration of unemployment than young men. The average unemployment rate from February to August this year was 17.9 per cent of males aged 15 to 19 and 22.5 per cent of females in the same age group.

The O.E.C.D. study to which I referred earlier noted that the traditional sex stereotypes that prove significant barriers to the employment of females often tend to be shared not only by employers and parents but also by boys and girls. The study confirmed also that the female occupational plans are often shaped early by domestic expectations, whereas those of boys are not. The Transition Education Unit within the South Australian Education Department is doing much to break down these barriers and to highlight the need for girls to expand their learning experiences. There is no doubt that the wider the range of experience and base for further change of experience that young people can acquire the brighter their future will be.

An Australian author recently indicated that the reluctance of families to see their daughters registered as unemployed was perhaps one of the reasons behind the increasing upper secondary school enrolment of Australian girls, a rise that contrasts with the trend for Australian boys since the early 1970s.

Whatever the reason for this trend, with steadily growing unemployment among our young, we must do more in education. The Williams Committee Report on Education, Training and Employment, the Myers Committee Report on Technological Change in Australia, and the Keeves Committee Report on Education and Change in South Australia are in essential agreement about the connection between long-term economic and social prosperity and development of our community and the provision of adequate and appropriate education and training.

Our first priority and responsibility in education should be a concerted effort to raise the rate of participation of our young, both at the senior secondary and at the tertiary levels. I do not suggest this simply because we do not want the unemployment figures to rise further. I do so, in part, because all evidence indicates that those who suffer most in our complex unemployment market are those with the least qualifications and, in part, because a more educated population will enable us to contribute more satisfactorily to shifts in our technology and to raise the level of understanding about technology in the community at large.

In Australia, the proportion of the 17-22 year age group enrolled in tertiary institutions is about half that of Japan, 16.8 per cent, and one-third that of the United States, 23.4 per cent. Meanwhile the proportion of the 15-19 year age group enrolled in full-time school stands at only 45 per cent of the age group, well behind the United States, 74 per cent; Japan, 71 per cent; Switzerland, 70 per cent; and Canada, 65 per cent. At the senior secondary level a study conducted by TEASA in 1981 revealed that retention rates to year 12 in South Australia are only 39 per cent of the numbers entering secondary schooling four years earlier.

While we continue to condone the situation, as highlighted by the Williams Committee, where 60 per cent of our 15-19 year age group are in the labour force, compared to 24 per cent in Japan and 28 per cent in the United States, we should in truth not be unduly surprised that in a time of rapid technological change youth unemployment is high. Indeed, in the decade between 1971 and 1981 youth unemployment in Australia increased from 3.2 per cent of males and 4.3 per cent of females to 11.2 per cent and 17.1 per cent respectively. Job opportunities are shrinking in just those menial, repetitive tasks to which hitherto comparatively ill-educated young Australians have been assigned. Mr Justice Kirby, when speaking at a seminar in Adelaide in September, posed the pertinent question:

> How can we hope to compete in a world whose principal dynamic is science and technology, if we rank so low with Portugal and Turkey in the league of school retention?

Increasing the participation of our young up to year 12, at least, must be one of our prime objectives. Further objectives, I suggest, should include:

- Ensuring that the content of year 12 programmes is relevant and appropriate at the general education level and does not cater only to those seeking to matriculate;
- Ensuring that our academic standards are equal to those prevailing internationally;
- Adapting our education system to give everyone in the community, including women, the children of lower socio-economic groups, ethnic and Aboriginal backgrounds, better access to a range of educational options and quality of instruction;
- Extending work experience programmes and encouraging their acceptance as a responsibility of all employing organisations;
- Improving the quality of vocational guidance;
- Extending our education processes beyond our formal institutions to the work-place and also through the electronic media;
- Encouraging the development of courses which cater for people who wish to continue to refresh or renew their education and training;
- Ensuring apprenticeship courses are sufficiently challenging to attract and retain participants.

In conclusion, Mr President, it is our responsibility as elected representatives to address ourselves to such complex problems as unemployment among our youth, and the effects of technological change on our economy and our society. We were not sent here to scratch out each other's eyes, no matter how much some might enjoy that sort of thing, but to serve constructively the people who sent us here.

**The Hon. C.W. CREEDON** secured the adjournment of the debate.

## PAY-ROLL TAX ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.
(Continued from 14 December. Page 81.)

**The Hon. M.B. CAMERON (Leader of the Opposition):** One can only hope that this legislation is not an example of what South Australians can expect under this new Government. If it is, the people will be sorely disappointed that the Labor Party was elected to Government just six weeks ago for in this, its first legislative act, it has broken a crucial and unequivocal election promise. We would all remember that before the election the Premier and his Party made a great deal of noise about small business and how vital small business is, how small business needed urgent and immediate Government support, how small business would not be the so-called 'forgotten' sector under a Labor Government, and how important reduced pay-roll tax pressures were to the future success of small business.

Now we find the Government backing away from its commitment to small business. This legislation, which seeks to raise pay-roll tax exemption levels from $124 992 to $139 992, falls well short of the Government's pre-election commitment. That is beyond dispute, no matter how much the Government may argue. In his policy speech, the Premier made his Party's pay-roll tax promise totally clear. For the benefit of members of the Council I will quote the present Government's policy statement in this area as follows:

> And we will raise the small business pay-roll tax exemption level to give them a better chance. For almost two and a half years the Tonkin Government has allowed the small-business pay-roll tax exemption level to lag behind what is offered in Victoria. That has meant that, for most of this Government's term, small business in this State has been disadvantaged.
>
> The exemption level was only raised from July this year after a concerted campaign from small business organisations and the Labor opposition in Parliament. Now, a couple of weeks before the election, the Government wants small business to believe that the exemption level will be increased. I do not believe that they can be trusted.
>
> A Labor Government will amend the Pay-roll Tax Act to ensure that the exemption level is increased annually in line with estimated wage and salary costs. This will then end occasional and one-off rises timed for election dates. This will give more certainty and security to small business planning.

Let the Government members listen carefully to this quote from Mr Bannon:

> As an initial commitment we will raise the exemption level to $160 000 and would aim to regularly increase it thereafter to $250 000 by the end of three years.

That commitment is unequivocal. Small business had, and has, a right to expect that, from the start, as a first step an A.L.P. Government would lift the pay-roll tax exemption level to $160 000 and that there would be further, additional increases. However, small business has been deceived by the A.L.P. No amount of talking by the Attorney-General and his Premier can explain away the fact that the South Australian Labor Party has commenced its catalogue of broken promises. This is the first, and I am sure that many more will follow.

Again, the Premier has taken his lead from Victoria's Premier Cain. To know what Mr Bannon plans to do in South Australia we need only look at what Mr Cain did in Victoria after he was elected. That State has suffered from the largest single catalogue of broken promises in the political history of Australia, soon to be surpassed, I believe and suspect, by our young Premier here. In Victoria Mr Cain promised no new charges and also cuts in taxes. Instead, they both grew. He promised to lift pay-roll tax exemption levels; instead, they have not changed. Health charges climbed immediately after the election. Similarly, that has happened here. Already Mr Bannon is setting the scene for a similar pattern of deception.

It is remarkable that the Premier, when he wants to break a clear undertaking to the people, can blame the state of economy left by the former Government. It is just as remarkable that, when he acts quickly to pay off those unions which ran the defacto A.L.P. election campaign. He ignores the impact of the economy and cuts the working hours of some people in the Public sector, allows their wages and salaries to rise, and employs more staff. I am talking about ancillary staff in schools, but he ignores that.

When it comes to 'pay offs' the Government is quick to act, but when it comes to meeting clear and precise election commitments, or invoking something as important as a wage freeze, the Government dithers and evades. Perhaps the Premier and his Party do not understand the word 'initial'. This is the beginning. This is the first time that this matter has come before the Parliament and we see no commitment being made for an exemption level similar to that promised of $160 000. Even the Hon. Mr Blevins would agree with that. He comes from a great country across the sea where he went to school and was well educated. He would know that the word 'initial' means 'first—the first time'. I can understand his look of embarrassment because, whether the Government likes it or not, it has broken its election commitment.

**The Hon. L.H. Davis:** They lost today.

**The Hon. M.B. CAMERON:** I think that they might have. But the Government did more than promise to lift the base exemption level to $160 000. It also promised to index the base exemption level in line with wage and salary increases. There are no provisions in this legislation for that promise to be met, either. So we have two broken promises in the first six weeks of this Government which will penalise South Australian businesses.

When he was elected our Leader in another place, Mr Olsen made very clear that the Liberal Party would not oppose or criticise Government measures just for the sake of it. But we would be failing in our duty as an Opposition if we did not act in areas such as this where election commitments are being broken. The former Government made a carefully costed commitment to lift pay-roll tax initially to $160 000 then ultimately to $250 000. It was a commitment that could, and would, have been met by us. It was based on a detailed assessment of the overall Budget impact.

The former Government warned the Labor Party during the elections that many of its promises were extravagant and could not be afforded because of the present difficult economic conditions with regard to State finances. The Premier was warned, but he proceeded not only to promise virtually all that the former Government committed itself to during the election campaign but also to go much further in his campaign to win office, which would jeopardise State finances.

An increase in the pay-roll tax exemption level to $160 000 was promised by both the major Parties during the election campaign and the people of South Australia have every right to expect their Parliament to legislate for it, and as have the small business men who believed the Opposition when it made that promise. Because the Government promised to lift the exemption level just six weeks ago and received a mandate to do just that, I believe that this Bill must be amended.

Accordingly, I draw the attention of honourable members to the amendment which I have placed on file and which I trust will receive support not only from members on this side but also from the whole Council, because I believe it is essential that people have some faith in what political Parties say prior to elections. I support the Bill but warn that I will move amendments.

**The Hon. L.H. DAVIS:** I support the remarks made by the Leader in this Council. It is quite clear that the Government has resiled from an election promise. It is quite ironic, in fact, that in the Premier's election speech, which no doubt was endorsed by members opposite, he accused the then Liberal Government of not being trustworthy on the matter of pay-roll tax, as the Hon. Mr Cameron has already stated. The former Leader stated:

> Now, a couple of weeks before an election, the Government wants small business to believe that the exemption level will be increased. I don't believe they can be trusted. A Labor Government will amend the Pay-roll Tax Act to ensure that the exemption level is increased annually in line with estimated wage and salary costs.

So we have this fairly shoddy attempt by the newly elected Labor Government to resile from an election promise. The Labor Party promised to increase the pay-roll tax exemption level to $160 000. Instead, it has increased the level from $124 992 to $139 992. That is not even halfway to its commitment. As was continually stated by members on this side in the weeks leading up to the election, a Liberal Government in office after 6 November could not and would not make many promises. One of the promises that the Liberal Government made has already been the subject of review by the newly elected Government, and that is electricity tariff concessions for pensioners. That matter was largely common ground.

Another matter was that which is now before us—the pay-roll tax exemption level. As the Leader has already stated, there was a common policy in this regard, an increase from $124 992 to $160 000 initially and then in stages to $250 000 over three years. In that respect, small business was equally well served whichever Party came to power, or so it appeared. Of course, appearances can be deceiving. We have already debated a wage pause in this Council and we have discussed what the Premier and the Leader in this place had to say in that regard. The matter has arisen again tonight. In fact, one could be led to say that the newly elected Labor Government, in calling Parliament together, has introduced legislation which was largely before this Parliament or was due to go before the Parliament and which had been drafted by the previous Liberal Government.

There is nothing wrong with that. However, the other initiatives that the Government has taken, including the question of betting on the Bay Sheffield and this shoddy diversion in regard to pay-roll tax, which reduces the commitment from $160 000 to $139 992, have all the appearances of a moth-eaten quinella. If that is the best the Government can do, it will have to lift its game.

I am disgusted and dismayed that the Government has already broken a very fundamental commitment to small business which was unequivocably made and which has been referred to by the Leader in the House. It is also pertinent to note that the Premier obviously has had a latter-day conversion to the merits of lifting exemption levels for pay-roll tax. Indeed, in what I believe was very close to the Premier's maiden speech on 12 October 1977 (page 162 of *Hansard*) the member for Ross Smith, now the Treasurer of this State, stated:

> Finally, there is the pay-roll tax myth, which has been dealt with at length by the member for Davenport. There is no evidence that significant remissions of pay-roll tax will have an effect on employment. They will go into the pockets of employers. Those are the facts and those are the statistics wherever they have been produced.

That was the considered opinion of the new Treasurer of this State when he made his maiden speech, given that he had had the benefit of working for a senior member of the Labor Party in Parliament (Mr Clyde Cameron) over a number of years and given that he had had the benefit (or as one would expect) of some exposure to the work force and to the reality of the market place. Mr Bannon, now the Treasurer, in his very first speech in Parliament stated that pay-roll tax exemptions are a myth.

Now we see this fairly unedifying spectacle; the Treasurer had committed his Party to increasing pay-roll tax exemption levels to $160 000 even though he did not believe in exemptions. Further, on top of that, he has broken his promise. What sort of quinella is that?

*The Hon. Frank Blevins interjecting:*

**The Hon. L.H. DAVIS:** Even the Hon. Mr Blevins, with his liquid tongue, would not have a ready answer to that.

**The Hon. C.M. Hill:** I think the Hon. Mr Blevins wishes he was back in Manchester.

**The Hon. L.H. DAVIS:** That is right. Being a member of Manchester United would be far better than being in the Labor Party, which is not very united on these matters. The Leader of the Opposition in this place has quite rightly moved an amendment to keep the Government honest in terms of its very specific commitments to raising pay-roll tax exemption levels to $160 000. There is no question that pay-roll tax is very important indeed. Members on both sides have, from time to time, remarked that it would be nice to find another taxation measure to replace it.

*The Hon. R.J. Ritson interjecting:*

**The Hon. L.H. DAVIS:** As my colleague said very cynically, but perhaps accurately, the Government could find many different taxation measures in the months that lay ahead. The actual revenue of the State Government in 1981-82 totalled $1 705 500,000. Of this amount $495 500 000 was received by way of State taxation; in other words, taxation made up nearly 30 per cent of the total State receipts. Nearly $206 000 000 of the $495 500 000 of State taxation was raised through pay-roll tax. Therefore, it can be clearly said that pay-roll tax accounts for 41.6 per cent of State taxation. In fact, it is by far the most important State tax.

The next most important State tax is receipts from stamp duty, which raised only $108 500 000 in the fiscal year 1982, and was equal to 21.9 per cent of State taxation. In the Tonkin Government Budget for the 1982-83 financial year, estimated receipts from payroll tax were $231 000 000, or 41.6 per cent of the estimated total State taxation. That is a figure identical to the actual percentage for the 1982 fiscal year.

So, when one is adjusting pay-roll tax exemption levels, one should be adjusting them in the knowledge that one is giving up a part of a very important State tax. There is no question about that. It was recognised by both Parties before the election that small business would be the main beneficiary from raising the exemption level for pay-roll tax. Both Parties agreed that that was of prime concern in terms of trying to encourage the economy and trying to support small business, which was going through a squeeze of some severity.

The sadness is that the Labor Party, having promised in most unequivocal language that this exemption level would be $160 000, has clearly renegued on that promise. I find that disgraceful and disappointing. The last thing that should be said, given the debate that has already taken place on this matter in another House, and which should not be overlooked, is that South Australia, although it had similar exemption levels to Victoria and New South Wales and although that exemption level sometimes trailed the exemption levels of other States by a matter of months, nevertheless did not have the levy which existed on pay-roll tax which was over and above the exemption level.

In Victoria and New South Wales the Labor Governments imposed very significant levies on amounts above the exemption level. So, any employer over, for instance, an amount of $124 000, as it operated in Victoria, would pay a substantially greater amount of pay-roll tax than would

his counterpart in South Australia. I reject the argument by members opposite in another place that the previous Government had not shown a concern towards small employers. Overall, the Liberal Government over the past three years demonstrated a very real concern for small business, not only in the matter of pay-roll tax.

In conclusion, I join with my colleague, the Hon. Mr Cameron, in supporting the amendment which, if for no other reason, keeps the Labor Government honest towards the promises it made and keeps the Labor Party honest towards the people who voted it into power.

**The Hon. I. GILFILLAN:** The Democrats are emphatically opposed to pay-roll tax *per se.* Wherever there is a move to raise the ceiling or eliminate it entirely, any Government will have our support. I do not have a clear memory of its history, but I am informed that it was introduced during the war when there was no need for a stimulus for production to boost employment, and that it was a means of raising revenue to sustain the war effort. Of course, that is now no longer a justifiable reason. It stands as one of the most counter-productive forms of Government funding of its activities that exist in Australia today. It is extraordinary that, in spite of so many vociferous condemnations of pay-roll tax, there has been such slow progress towards eliminating it altogether.

As the Hon. Mr Davis has mentioned, pay-roll tax and stamp duty are the two main sources of revenue for State taxation. It is embarrassing to realise that they are both substantially counter-employment and counter-profit.

In the payment of workers compensation, stamp duty makes up a significant proportion for an employer. Stamp duty and pay-roll tax are positive economic disincentives. The Democrats agree with the Liberals that this is a broken promise. We are embarrassed for the Government and Mr Bannon, in particular, in that he has so flagrantly gone back on what was clearly, in our interpretation, a specific promise.

In keeping a track on this, the previous Premier, Mr Tonkin, said that if his Government was returned to office after the election, as he assumed, it would immediately raise the pay-roll tax threshold from $120 000 to $160 000 as an incentive. The reply from Mr Bannon in his campaign speech, which is unequivocal and had no room for manoeuvring or misinterpretation, was that as an initial commitment the Labor Party would raise the exemption level to $160 000. If that is not an initial commitment I fail to understand what an initial commitment could be. There could be no other commitment that would be more initial than this one. The media gave a clear indication that both the *News* and the *Advertiser* understood that promise to be an immediate implementation of $160 000.

It was an exact matching of the offer from the Tonkin Government at that stage. It is pointless and embarrassing to listen to the Government trying to manoeuvre verbally in saying that it has not gone back on an election promise. The Democrats have sympathy for the fact that there may be many reasons which make it difficult for the Government to keep that promise, but the electors of South Australia and the country at large will not and should not tolerate broken election promises, from wherever they come.

There would be more sympathy for a Labor Government if it had to make alterations and if it was honest and expressed the exact case, instead of verbally trying to put up a smoke screen and camouflage. The Democrats' hostility to that was such that we seriously considered supporting the amendment which the Hon. Mr Cameron has indicated he will be moving.

However, I have been given an undertaking, and have shared that with my colleague, the Hon. Lance Milne, that the Leader in this House will undertake in his speech on this matter that the pay-roll exemption level will be raised to $160 000 by July 1983. We feel under those circumstances that there is no point in our playing pedantic games about it. The Government inherited all sorts of problems, and we have sympathy with the responsibilities of the Government. Under those circumstances, we do not intend to support the amendment and will vote for the Bill.

*An honourable member interjecting:*

**The Hon. I. GILFILLAN:** It may be very astonishing, but it is not as astonishing as hearing the self-righteous, agonising and (I hesitate to use the word) hypocrisy that has come from the two speakers on the Liberal side who berated the Labor Government for not having done anything about pay-roll tax. However, I have had the advantage of having confirmed from Victoria and here the track record of what happened to pay-roll tax under the Liberal Government. I am not persauded by the argument given by the Hon. Mr Davis that their exemption record helped small business. In 1979 in both Victoria and South Australia the exemption level was $66 000. It was on parity. In 1980, Victoria lifted its exemption to $84 000, and it was $72 000 in South Australia. In 1981, Victoria moved to $96 000 and South Australia moved to $84 000. In 1982, Victoria lifted it to $125 000 and, despite the very strong affirmation from the Hon. Legh Davis, South Australia remained stagnant at $84 000. It did not lift it a dollar. So much for all this pontification from the Liberals as to the lack of concern for small business. We are not encouraged by that, and it does not encourage us to give credence to their argument if $160 000 would be an improvement, we have understanding and sympathy that there may be difficulties, but the Labor Government has given an undertaking to raise the level to $160 000 by July 1983. That is why we will not support the amendment but we will support the Bill.

**The Hon. C.J. SUMNER (Attorney-General):** I thank honourable members for their contributions, despite the quality of one or two of them. Nevertheless, they were contributions. I do not wish to get into a lengthy debate about the semantics of the commitment that the Labor Party is supposed to have given before the last election. The words have been read into *Hansard.* The words, in fact, were that as an initial commitment we would raise the exemption level to $160 000 and aim to increase it regularly thereafter to $250 000 by the end of three years.

Traditionally, pay-roll tax exemptions have been increased annually from January 1975 until January 1981, there having been no increase in 1982. Those increases to the exemption levels were made on 1 January of each of those years. However, from 1 July 1982 the increases in exemption levels corresponded with the annual Budget and the financial year rather than the calendar year. All one can say is that, as the Hon. Mr Gilfillan has pointed out, during the years 1975 to 1979, all years of a Labor Government, the pay-roll tax exemption level was matched dollar for dollar on 1 January of those years with the Victorian level, and it was only in 1980 that a gap of $12 000 commenced. That gap increased to $12 600 in 1981, and by 1 January 1982 it had increased to $41 000—a difference between the exemption level in Victoria and that in South Australia.

That was the situation in the three years of the Liberal Government, despite the fact that until that time we had matched the Victorian exemption level, which I think is important and is recognised as important by business in this State because they are considered to be our major competitors. It was only from 1 July this year that the difference between the two States was once more brought back to zero, and the current move by the Government would again base the South Australian exemption level on a par with that in Victoria.

The undertaking that has been given to increase the exemption level to $160 000 will commence with the next

Budget, and it is the aim of the Government regularly to increase it thereafter over the next three years. Indeed, the proposal is to attempt to index the exemption level. However, the details of that require considerable time to work out and be put into legislative effect. So, the present move is an immediate attempt and succeeds in producing an equality between the Victorian and South Australian situations, a position that certainly did not pertain for the greater part of the Liberal Government's term.

It would appear, too, that the Chamber of Commerce and Industry, for instance—not generally a group known for its endorsement of the Labor Party's policies—stated in a letter from Mr Schrape that the members of the Chamber were gratified at the early action in increasing this exemption level from 1 January 1983. So, certainly those people on the employers' side who are most concerned about this matter seem to be grateful for the Government's action.

There is no question that pay-roll tax in the current climate is not a particularly desirable tax but, unfortunately, it was in the early 1970s considered to be a growth tax and was transferred to the States by the McMahon Government. That was fine while employment was expanding at the rate at which it was at that time. Therefore, the Federal Government felt that it was giving a growth tax to the States. Of course, it has not exactly turned out to be that, and there are many arguments now that indicate that the pay-roll tax and tax on employment are not desirable in the current climate.

As I indicated this afternoon, the Government has undertaken to carry out a comprehensive review of the State's taxing powers and State revenue-raising measures, and that will be done over the next 12 months. What that will come up with I cannot predict. Suffice to say, of course, that the State taxing powers are limited compared with those of the Federal Government and of the Federal Parliament as, indeed, are the powers of the State in relation to most financial and economic management matters. I believe that the Government's position is sustainable. I certainly do not feel embarrassed about the position that is being put as an initial commitment, which was in the statement made by the Premier when in Opposition, that the exemption level be raised to $160 000.

*An honourable member:* Initially.

**The Hon. C.J. SUMNER:** That is normally done on an annual basis. As I said, this step brings South Australia in line once again with Victoria, despite the three years of Liberal Government when the exemption level in Victoria was much higher, up to $41 000 higher in the last year than it was in South Australia. The Liberal Party's record in the area of pay-roll tax is not particularly satisfactory. Certainly, it allowed South Australia to slip behind in the exemption level.

**The Hon. Frank Blevins:** They did not try to explain that in their contributions.

**The Hon. C.J. SUMNER:** No, Opposition members attempted to skate over that, which is probably not surprising. I ask the Council to accept this proposition, which will provide relief equivalent to that in Victoria for the next six months until the Budget is brought down for the next financial year.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Deductions from taxable wages.'

**The Hon. M.B. CAMERON:** I move:

Page 1, lines 24 and 25—Leave out 'eleven thousand six hundred and sixty-six dollars' and insert 'thirteen thousand three hundred and thirty-three dollars'.

My amendment takes into account monthly amounts that will have the financial effect of raising the exemption level to $160 000. I will take the vote on this amendment as a test on my following amendments, because it would be pointless to raise the same arguments repeatedly.

Again, I raise the question of what is the Government's commitment. Certainly, I saw the embarrassment of the Hon. Frank Blevins who, by way of interjection, attempted to defend his leader by suggesting that an interim amount was an initial amount. We should be clear about this: the Labor Party in the elction campaign lifted the amount to $160 000 after the Liberal Party made its announcement on pay-roll tax. Our commitment was to raise the exemption to $160 000 which would have immediately lifted South Australia above the Victorian level and which at that stage was very important.

I remind the Committee of the situation, because the Labor Party has not really got to the point of admitting that it has broken a promise. If it admitted the truth, perhaps we would all feel better. The Government intended at the first stage to lift the level to $160 000. It said that as an initial commitment it would increase the level to $160 000 and would aim to increase it regularly thereafter to $250 000 by the end of three years. There can be no doubt about what was meant by that. Certainly, I can tell the Labor Party that we meant exactly what we said: the initial step at this sitting of Parliament would be $160 000, not in three years or next year or whenever, as is the case of the commitment to the Democrats—it was at this stage.

**The Hon. J.C. Burdett:** That commitment can be broken.

**The Hon. M.B. CAMERON:** Indeed it can. The Democrats have admitted that they believe what we believe, yet they have accepted a commitment from the Government. Why should the Democrats accept a commitment from the Government when the people of this State received the same commitment and have been taken apart on it?

I believe the Australian Democrat Senators should run a seminar for the local Democrats on the basis of 'How to keep the "bastards" honest', because that seems to be a theme song. I used that word in quotes, Mr Chairman.

*Members interjecting:*

**The CHAIRMAN:** Order! I do not care how the honourable member used it, that word should not be used in the parliamentary context.

**The Hon. M.B. CAMERON:** I withdraw the statement used by the Leader of the Australian Democrats in the Senate, although it is well known by everyone. It is unreservedly withdrawn, but everyone knows it, anyway. The fact is that the Democrats should conduct a seminar based on that theme because, obviously, they do not know how to go about it. One way for the Democrats to act would be for them to support my amendment, which forces the Government at least to consider keeping its commitment to the people.

**The Hon. K.L. Milne:** Don Chipp was then speaking about the Liberal Party.

**The Hon. M.B. CAMERON:** I do not care about whom he was talking: it is a good idea to keep all politicians honest. I am glad that the honourable member raises that. No matter what Party one is in, members of Parliament should make that happen, and in this Council we have the opportunity at least to try to force the Government to honour that commitment.

Obviously, the Democrats have had a bit of a cuddling session with the Government and decided to give in. They do not even have a commitment to the next part, the $250 000. I have heard no real commitment about that. We will wait and see what happens. Obviously, without Democrat support my amendment will not pass. Certainly, it is a sad day that six weeks after an election one group in this Council is already allowing the Government to break a commitment to the people and is admitting that it is allowing

the Government to do so. The Hon. Mr Gilfillan admitted that the Government gave the commitment, and now he will allow the Government to break it.

Other commitments that may have been kept have been swept aside immediately by the Hon. Mr Gilfillan, yet this matter is far more important than some of the moves that the Government has already made. I refer to ancillary staff, a non-productive area as far as I am concerned, in this present industrial climate, and the move to keep teachers on, again a non-productive area. Yet the productive area in this community will be swept aside and the commitment made will not be kept.

**The Hon. R.C. DeGARIS:** I would like to point out that in this matter it is not a question of whether or not the amendment is carried. The real question is that the Council has no power to force the Government to accept the amendment—

**The Hon. Frank Blevins:** Nor should it have.

**The Hon. R.C. DeGARIS:** That may or may not be. I am pointing out that there are times when this Council has the power to operate, and there are times when it does not. On this matter, there is no way that, if the Government does not wish to accept the amendment, it can ever be achieved, because all that will happen, if the Government says that it will not accept the amendment, is that—

**The Hon. Frank Blevins:** Things will stay as they are.

**The Hon. R.C. DeGARIS:** Exactly, and there is no way in the final term that this Committee can insist on the amendment. It is all very well to play politics and have a go at it, but I ask the Attorney whether or not the Government will accept this amendment, or whether it would drop the Bill, because that is the important question to ask.

**The Hon. C.J. SUMNER:** The amendment is not acceptable to the Government, which has introduced the Bill. The Government has said that it will raise the exemption level to the situation in Victoria. That situation did not exist for three years of Liberal Government in this State. There seems to be little point in getting involved in some kind of semantic argument about what is the precise meaning of the statement that I have read to the Council.

Obviously members opposite have one interpretation of this matter and members on this side have another. The fact is that, as I have said before, pay-roll tax exemption levels have traditionally been raised on an annual basis for many years. That was usually done on 1 January, but this year, after some considerable time, I think two years without an increase in the exemption level, or at least 18 months, the Liberal Government raised that level to match Victoria's level for the first time in three years.

**The Hon. M.B. Cameron:** In July.

**The Hon. C.J. SUMNER:** That is correct, in July.

**The Hon. M.B. Cameron:** That is a tradition.

**The Hon. C.J. SUMNER:** It is traditionally done on an annual basis.

**The Hon. M.B. Cameron:** In January.

**The Hon. C.J. SUMNER:** I understand that, from an administrative point of view, it is preferable to do it on an annual basis. I would expect that, from now on, there will be increases on an annual basis as part of the normal July to July increases. However, that remains to be seen and depends on the review of the pay-roll tax mechanisms which will be looked at over the next few months and which will be given effect to some time next year. For the moment, the Government believes that this is a benefit to small business as an interim measure. It does match the Victorian figure and has been welcomed by employer groups in South Australia. Therefore, I believe that the Council should pass this legislation as expeditiously as possible.

**The Hon. J.C. Burdett:** Did the Employers Federation welcome it?

**The Hon. C.J. SUMNER:** I said 'employer groups'.

**The Hon. J.C. Burdett:** The Employers Federation is quite a powerful group.

**The Hon. C.J. SUMNER:** I said 'employer groups in South Australia'.

**The Hon. M.B. Cameron:** They support anything.

**The Hon. C.J. SUMNER:** That may or may not be the case. However, as I said in my second reading speech, there is a letter in the Lower House from the General Manager of the Chamber of Commerce indicating support for this measure.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. C.J. SUMNER:** However, for some obscure reason, perhaps because of his new-found position as the unofficial Deputy Leader of the Opposition, the Hon. Mr Burdett seems to be nit-picking. Because I said that employer groups support the move he asked about the Employers Federation. I do not know about the Employers Federation. What I do know is that there is a statement from the largest employer group in South Australia, the Chamber of Commerce, a record of which is there for honourable members opposite to see in the *Hansard* report of the debate in the Lower House. I do not intend to pursue that here tonight. As for the Hon. Mr DeGaris's question, I indicate to him that the amendment is not acceptable to the Government at this time. We have indicated our intention to increase the exemption level to $160 000 in the next Budget.

**The Hon. J.C. BURDETT:** I support the amendment. The Hon. Mr DeGaris seemed to be so concerned in his remarks that he suggested that the amendment ought not to be moved if the Government would not accept it.

**The Hon. R.C. DeGaris:** That is not it at all.

**The Hon. J.C. BURDETT:** That is not the way that he has operated in the past when he has moved amendments and bargained all the way to a conference. I was astonished to hear his remarks.

**The Hon. C.J. Sumner:** Did you support Cameron or Griffin?

**The Hon. J.C. BURDETT:** What a ridiculous remark that was. The history of what happened to pay-roll tax before the election was covered in the first part of what the Hon. Mr Gilfillan said perfectly correctly. I did not agree with the latter part of what he said because he was talking of past history, and we should be talking about the present. The Liberal Party made the clear, unequivocal promise before the election that the pay-roll tax exemption level would be lifted to $160 000. There was no question about that happening, and it was to happen immediately. The Labor Party's answer was that its initial exemption level would be $160 000. That was understood by the Hon. Mr Gilfillan and by me, and was meant to be understood by the electorate, as meaning that the first exemption, as a matter of urgency, would be $160 000. That has not been done.

When the Hon. Mr Gilfillan went on to talk about what has happened in the past, and matched amounts with Victoria, and so on, that was surely not the point. The point is: what does the Government do now? The Liberal Party promised that an exemption of $160 000 would be implemented immediately. The Labor Party was understood to match that offer, but has not done so. I suggest that it is perfectly reasonable for this Council to pass an amendment to keep the Government honest and to make it do what it said it would do. I support the amendment.

**The Hon. C.M. HILL:** I am amazed at the attitude of the Australian Democrats in this matter. People at large expect all members of Parliament who support the Parliament to rise up when election promises are broken. However, when one is broken within a few weeks of an election, and

when it is quite clear that it is a broken promise, the Australian Democrats are surely expected by the public at large to attack the Government and to support measures such as the one that has been moved by the Hon. Mr Cameron. The whole basis of their political principle is that they are here to keep the Government honest.

**The Hon. L.H. Davis:** To keep the bastards honest.

*Members interjecting:*

**The PRESIDENT:** Order! I have already tonight requested one member to refrain from using such language, and I do not intend to accept any more of that kind of talk.

**The Hon. C.M. HILL:** The whole basic principle of the Australian Democrats' political philosophy is to keep the Government of the day honest, whether in Canberra or in any of the States, yet here they have a classic opportunity to do that, to admit that this is a broken promise and that there is dishonesty on the part of the Government. However, after such an admission they go to water. What in the name of goodness will be their worth in this Council, and in this Parliament, where they have the balance of power over the whole Parliament, because every Bill must pass through this Chamber? If this is the start of how they are going to act in practice after all the waffle about keeping Parliaments honest—

**The Hon. Frank Blevins:** Whom are you opposing—the Government or the Democrats?

**The Hon. C.M. HILL:** I am telling the Democrats to come out of the woodwork, to be honest and to strike a blow for their principles by supporting this amendment. For them to get up in this Council a moment ago, condemn the Government, say that this is a broken promise, and that they will not support the amendment but will put their arms around the Government on this occasion because they have had a quiet talk with the Government in the corridors makes one ask what is the good of them. I warn the Democrats that if this kind of conduct continues throughout their term they will not do very well at the next election. They must stand up and take one line only with some kind of philosophy. I do not know what their philosophy is, although the Hon. Mr Gilfillan said at the declaration of the poll:

> I am going to stand in the Parliament and tell everyone what our philosophy is.

I am looking forward to hearing it: I want to hear it. I do not know what the policy is, and I have been trying to understand it for three years from the Hon. Mr Milne. I would like to know the policy. All I know-

**The Hon. K.L. Milne:** Tell us your policy.

**The Hon. C.M. HILL:** If the honourable member does not know the Liberal philosophy, there is something wrong. I have heard the following catchcry from the honourable member's Federal Leader in Canberra: 'We will keep Governments honest'. There is a tremendous lot of worth in that, and all credit to Senator Chipp for saying that. But let the Democrats back it up. They certainly are not doing that tonight, and I believe that, as a start, in the first session of this Parliament (and we have been here for only two weeks), the fact that they have retreated from an issue of this kind is deplorable.

**The CHAIRMAN:** This is a money Bill dealing with taxation and therefore the amendments will be treated as suggested amendments.

The Committee divided on the suggested amendment:

Ayes (9)—The Hons J.C. Burdett, M.B. Cameron (teller), L.H. Davis, H.P.K. Dunn, K.T. Griffin, C.M. Hill, Diana Laidlaw, R.I. Lucas, and R.J. Ritson.

Noes (11)—The Hons Frank Blevins, G.L. Bruce, B.A. Chatterton, J.R. Cornwall, C.W. Creedon, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, C.J. Sumner (teller), and Barbara Wiese.

Majority of 2 for the Noes.

Suggested amendment thus negatived; clause passed.

Remaining clauses (4 to 6) and title passed.

Bill read a third time and passed.

## GOVERNMENT FINANCING AUTHORITY BILL

Adjourned debate on second reading.

(Continued from 14 December. Page 93.)

**The Hon. K.T. GRIFFIN:** As the Attorney-General indicated in his second reading explanation, this Bill originated from the Liberal Government, and I had one amendment on file at the time of the election. The Bill now comes back to the Parliament with three changes in comparison to the Bill as it was first introduced by the Liberal Party, and I will deal with those changes in the course of my remarks.

First, the establishment of a central Government financing authority as proposed in the Bill is a device by which the resources of various statutory agencies can be marshalled and there will be a better prospect of an improved deal in either borrowing or lending. For example, each of the statutory authorities under the Loan Council guidelines has the authority to borrow up to $1 500 000 a year. If those authorities go into the money market and each seek to raise $1 500 000, the deal that they are likely to obtain would probably be very much less advantageous to them than if, say, 10 agencies combined their requirements and borrowed $15 000 000 collectively.

Quite obviously, because of the larger sum that is being borrowed by combining their requirements, the authorities are able to obtain a better deal in the money market. This Bill seeks to establish a mechanism by which the requirements of various statutory agencies can be combined to achieve the best deal for each of them. Obviously, that deal will flow through to the Government Budget. Therefore, in that context, the Opposition supports this Bill.

The three areas in which the Bill differs from the Bill introduced by the Liberal Government relate to clauses 16, 18 and 21. Clause 16 of the Bill seeks to provide that a semi-government authority may borrow moneys from the authority and may deposit moneys with the authority. It also contains a provision that the Treasurer may give directions either for borrowing from or lending to a semi-government authority and that those directions must be complied with.

There is no restriction, except in clause 16 (2), which provides that the Treasurer shall not give a direction under subclause (1) except as authorised by the regulations. I presume that what is meant by that is that there will be a procedure set down in regulations which must be followed before the Treasurer's direction must be complied with.

Although the second reading explanation does not say that the regulations can be disallowed, that is, that they are subject to the scrutiny of Parliament, the fact, as everyone knows it, is that regulations are binding and enforceable until disallowed and, when disallowed, can be repromulgated on the day after disallowance and again be binding until subsequently disallowed, provided, of course, there is one group within the Parliament which could obtain the numbers to successfully disallow a regulation.

There is very little protection in providing a procedure for dealing with the direction of the Treasurer if one has to rely on regulations. The amendment I had on file at the time of the election sought to remove the power of the Treasurer to give a direction to a semi-government authority, either to borrow from the authority or to lend moneys of the semi-government authority to the central borrowing authority.

That amendment was proposed by me after consultation with officials in Treasury. Certainly, it creates some minor difficulties in dealing with some semi-government authorities. But, I point out, there are other ways by which the Treasurer can maintain control over the borrowing or lending policies of semi-government authorities. There is no such control over the two Government banks, the State Bank and the Savings Bank of South Australia, which are of particular concern to me and were of concern to the previous Government before the election, as both banks should be independent of any governmental intervention or potential political direction. Incidentally, any Government which sought to do that would be quite foolish. But, of course, one must remember that this legislation is to operate for a long period and does not relate only to intentions in the short term.

The other authorities which might be affected by the power of the Treasurer to give a direction are the Electricity Trust, the State Government Insurance Commission and the Housing Trust. There are also a number of other authorities that could be included. The three statutory bodies I mentioned have a significant amount of public funding available to them. I suppose another authority that could be put into the category is the Public Trustee.

If the Treasurer has power to direct, notwithstanding the provision in clause 16 (2), the fact is that those public funds could be subject to direction by the Treasurer. For example, the Electrity Trust, if it is going to embark on a borrowing programme, must obtain the approval of the Treasurer to borrow. It is possible that the Treasurer can exert influence on the Electricity Trust, when application is made for the Treasurer's approval for the borrowing and when the Treasurer gives that approval or otherwise—and he can give that approval conditionally.

The State Government Insurance Commission is subject to the authority of the Treasurer. So, indirectly, the S.G.I.C's borrowing and lending policy can be influenced by the Treasurer through the statutory powers which the Treasurer has at the present time. The Housing Trust can be subject to influence through the Minister of Housing, in particular, but also borrowing and lending activities can be influenced because, as I recollect, that body also has to obtain the approval of the Treasurer for a borrowing programme.

Many of the borrowings of the Housing Trust are guaranteed by the Treasurer. Of course, for the Treasurer to give that guarantee he must neccesarily approve the course of borrowing which the Housing Trust seeks. The Public Trustee is in something of a different category in the sense that it has trust funds available to it and its activities are governed by the administration of the Probate Act. But again, it is subject to general Ministerial oversight and supervision in the implementation of policy. So, if the Government were to accept the amendment which I propose and which, of course, I will deal with in more detail during the Committee stage, it would not create difficulties for the Treasury in the martialling of resources and in the co-ordination of borrowing programmes for its statutory authorities.

There are a number of statutory bodies which are specifically subject to the control and direction of the Minister. By virtue of that statutory control of the Minister those authorities would be subject to direction by the Treasurer. I make no secret of the fact that I believe that there are a number of smaller statutory authorities which should be subject to the control and direction of a Minister and that their borrowing programmes should be subject to the control and authority of the Treasurer.

In fact, in respect of their borrowings they will have an impact on the Budget, so the Treasurer does have control over the borrowing because of that recurrent impact on the Budget. I suggest that the removal of the power of direction as I proposed prior to the last election would not prejudice the Treasurer in the achievement of the objectives of this Bill.

The next difference is in relation to clause 18 of the Bill and relates to a matter raised during the last session in the second reading debate by the Hon. Mr DeGaris, when concern was expressed about the power of the Treasurer to convert what might have been a guarantee for capital purposes to a loan. New subclause (3), to a very large extent, deals with the difficulty raised by the Hon. Mr DeGaris at that stage. I notice that the Hon. Mr Hill has an amendment on file concerning that clause. Whilst I support the clause in the Bill, I am not averse to the proposal he has on file and which he will explain during the Committee stage.

The other difference in this Bill from the previous Government's Bill is that now clause 21 provides that all semi-government authorities will, in fact, have to furnish information to the borrowing authority if so required. To a very large extent that occurs now because so much of the borrowings of semi-government authorities impinge upon the Budget. I have no objection, and the Opposition has no objection, to clause 21 being included in the Bill as a necessary precaution in case the general supervision of the Treasurer in the Budget-framing process is inadequate.

So, whilst I could speak for longer on the principle of the Bill, I am pleased, as is the Opposition, to be able to support the principle of it because it was an initiative of the previous Government. At the appropriate stage there will be an opportunity, of course, to debate further the amendment which I propose, and also to comment on the amendment of the Hon. Mr Milne which, I indicate at this stage, I will not be able to support.

**The Hon. K.L. MILNE:** We will support this Bill in principle; it has many good points. Speaking from the accountancy point of view, as one who has run a statutory authority and has administered non-profit organisations and small charitable organisations, I feel that, if properly used, it would be to great advantage. There is nothing more difficult than to be, say, the auditor of a small organisation in which the administration has no idea of how to invest or handle money and often fails in its purpose because of that lack of knowledge. If they could be assisted in the investing and borrowing of funds by experts it could only be an advantage.

I am concerned that the Bill does not distinguish between semi-government authorities which could use this facility, and should use it, and those which have no need and would probably be better outside it and not caught under this legislation. The organisations to which I refer are the Electricity Trust of South Australia, the Savings Bank of South Australia, the South Australian Housing Trust, the State Bank of South Australia and the State Government Insurance Commission. Of those, I would feel most strongly about the State Government Insurance Commission because it is a huge lender and not a borrower, but it is a semi-government authority and could be compelled to invest with the authority when, in fact, interference of that kind would have an adverse effect on its credibility internationally and would affect its re-insurance arrangements. The State Government Insurance Commission, of course, would want to be free to invest where it wishes because very often, its investments bring more premiums. So would these other major semi-government authorities. They are perfectly capable of handling their own affairs. They have experts in how to invest their funds. They should be taken out of this legislation, and I foreshadow that we will move an amendment to clause 16 (not to clause 18 or to clause 4 as suggested) to specifically exclude those authorities from this Bill.

There was a suggestion that the Public Trustee should be included as well, but the Public Trustee is not a semi-government authority under this definition. I am also concerned that clause 18 (1) *(c)* and the whole of clause 18 is referred to in the Bill under the short title of 'Treasurer may rearrange finances of semi-government authorities.' Subclause (c) says that the Treasurer may change a grant into a loan. That is a very dangerous thing and very unfair. Subclause (3) says:

(3) The Treasurer shall not make a determination under subsection (1) *(c)* in relation to a semi-government authority except as part of an arrangement that he is satisfied is not to the financial disadvantage of the semi-government authority.

That is not to the point. Anybody who has adminstered one of these organisations or a small organisation, even more so, and is raising money either as capital for building or vehicles, or something, or has working capital, must know whether the money raised is a grant or a gift or a loan. It is most inconvenient to have raised, say, $50 000 as a Government grant some time ago and for the Treasurer now to come along and say, 'We should not have done that; it ought to have been a loan.' It puts one's finances out of gear, especially with the interest rate as high as it is. We do not hear of people donating large sums of money to the Children's Hospital and coming along afterwards and saying, 'We wish we had not done that; we wish it had been a loan.' One cannot do that sort of thing. It is irresponsible, and it is a pity to spoil this Bill. It is no help to these people to put in a clause like that which gives these people cause for anxiety. It does not overcome the difficulty to say in subclause (3) that the Treasurer can do it only if it will not adversely affect the authority. Who will say whether it is adverse or not? The people administering the authority know whether it is adverse or not and, therefore, not the Treasurer. I foreshadow an amendment to clause 16, which refers to the organisations which we think should be excluded from the Bill.

**The Hon. C.M. Hill:** Your amendment to clause 16 is still coming, is it?

**The Hon. K.L. MILNE:** Yes. I apologise for the inconvenience, but I have been advised by the Parliamenty Counsel that it is better to take organisations out of clause 16 rather than out of the definitions in the beginning.

Clause 18 refers to the rearrangement of finances, and that is where we believe that one should not change a grant into a loan. I heard what the Hon. Mr Griffin said and I feel that he is in favour of the Bill in principle. Of course, when it was in Government the present Opposition brought in this Bill itself. The Bill is consistent with the situation in other States and with the modern practice of investing and lending money in large lumps rather than in little bits. I have known many occasions on which organisations have received money and left it there doing nothing until they wanted it, or perhaps they did not want it in the first place. This will stop mismanagement and a lot of criticism and will, I am sure bring a better result. So, in principle, we support this, but hope that the Council will consider some alterations which we think will make it better.

**The Hon. ANNE LEVY:** I do not wish to take up much time on this Bill, which was thoroughly debated at the second reading stage only a couple of months ago. I made a number of comments then, and it would seem superfluous to repeat them. I am glad that other speakers have said that they support the legislation in principle, although one gets the impression that they feel terribly suspicious about the new authority (SAGFA) and are worried about the effects that it may have.

They fail to realise that SAGFA will be to the benefit of South Australia and much to the benefit of all the semi-government authorities with which it has dealings. It has been said to me that this measure is approved wholeheartedly by all sorts of financial institutions—by banks, merchant banks, overseas investors, and so on. One chief investment manager of a bank indicated that, once the SAGFA doors opened, it would have trouble coping with the rush of people wishing to invest in it. The measure will be sound financially and be of great benefit not only to the State but also to all semi-government authorities with which it deals.

The fears that other speakers have expressed in a number of places are probably better dealt with in Committee rather than my replying at this stage to some of the paranoia that has been expressed. To suggest that organisations such as the Housing Trust and ETSA should be wary of SAGFA seems to be quite the wrong way of looking at it. The Housing Trust is likely to be a major beneficiary of SAGFA in terms of its lending policy, as are other semi-government authorities that are likely to want to deal with it. It would be most unfortunate if any amendments moved in this Council resulted in a lack of flexibility that prohibited some semi-government authorities from lending their money to SAGFA or receiving or borrowing from SAGFA should they so wish.

The Bill has been designed to be as flexible as possible and, therefore, to be to the greatest benefit of all the semi-government authorities that wish to deal with the authority and, thereby, to the greatest benefit of South Australia. As I indicated, I do not wish now to say any more about the proposed amendments. Although I appreciate the concern that has motivated them, I believe that it is misplaced concern in each and every case, and the Bill as it is now before the Council with the three changes effected by the present Government is desirable. The Council can be unanimous in supporting it so that as soon as possible SAGFA can come into operation. I support the second reading.

**The Hon. R.C. DeGARIS:** I, too, will be brief on this Bill. I have listened carefully to what the former Attorney-General said. He should still be the Attorney-General, but that is another matter. The Bill takes into account a couple of points that I raised when the Bill was introduced by the previous Government. The points that I raised have been fairly well covered by changes to the legislation.

I refer to clause 16. I mentioned previously that there was a need for the Treasurer not to have the power to direct the investment policy of all semi-government authorities. I felt that there was a need for some of the authorities to be directed by the Treasurer. It is still reasonable to suggest that certain semi-government authorities should be excluded totally from the provisions of clause 16. I mentioned several previously. One I think I mentioned involved the question of investment by the court. The then Attorney-General said that that was not a semi-government authority, and perhaps he was right in that matter. However, I believe that the two banks, in particular, should be excluded entirely from the provisions of clause 16.

The problem in regard to clause 16 is that the Government can make regulations and involve a semi-government authority, but Parliament would have no say until it met to take action to create a disallowance. In other words, as soon as the regulation is made and Parliament is not sitting, there is no way in which that authority can be removed from the direct order of the Treasurer. Therefore, certain organisations and semi-government authorities should be included in clause 16 as being exempt.

The other point I would like to raise was raised by the Hon. Mr Milne in regard to clause 18. I said previously that, where a semi-government authority comes under the control of the authority, it should not be at a financial disadvantage. That is included in subclause (3). I am concerned about the comparison between subclause (1)*(c)* and the new clause. Paragraph *(c)* of subclause (1) provides:

Where the semi-government authority has received moneys from the Treasurer or the Government of the State by way of a grant for capital purposes, the Treasurer may determine that all or a specified part of the moneys shall be regarded for all purposes as having been provided to the semi-government authority by the authority upon terms and conditions specified in the determination.

Subclause (3) provides:

The Treasurer shall not make a determination under subsection (1) *(c)* in relation to a semi-government authority except as part of an arrangement that he is satisfied is not to the financial disadvantage of the semi-government authority.

The only change that I can see is that, instead of the Government making a grant, it is made by the authority. It cannot be transferred to a loan, because that could become a financial disadvantage. It cannot have interest rates on it, and it cannot be repaid if it is a grant.

This seems to be a rather strange provision when one reads paragraph *(c)* of subclause (1) and subclause (3). I fully appreciate what the Government has tried to do: it has tried to cover the point that I raised previously but, nevertheless, in reading those two provisions, it appears to be a strange situation why subclause (3) exists at all or why paragraph *(c)* of subclause (1) is there at all. As I pointed out, once a grant has been made for capital purposes, surely it cannot be anything else other than a grant, even though it may be a grant from the authority. I would like an explanation of those two matters: first, on the question of excluding certain semi-government authorites that should not come under the direction of the Treasurer and, secondly, in regard to clause 18 (3). I support the bill.

**The Hon. C.J. SUMNER: (Attorney-General):** This simple Bill has the support of the Council. I thank honourable members for their contributions, and I will attempt to answer their questions in Committee.

Bill read a second time.

In Committee.

Clauses 1 to 15 passed.

Clause 16—'Power of semi-government authorites to borrow moneys from or deposit moneys with the Authority.'

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

Page 6—

Lines 6 to 13— Leave out paragraphs *(a)* and *(b)* and insert paragraphs as follow:

"*(a)* may borrow moneys from the Authority;

and

*(b)* may deposit with or lend to the Authority any moneys of the semi-government authority that are not immediately required for the purpose of the semi-government authority."

During the course of my speech at the second reading stage of this Bill I indicated my reasons for intending to move these amendments. Essentially, it is to remove the Treasurer's power to direct a semi-government authority either to borrow moneys from the Government Financing Authority or to deposit or lend moneys of a semi-Government authority to the Government Financing Authority. I have already indicated that removing the power of direction does not create any significant prejudice to the Treasurer's ability to marshall the resources of the semi-government authorities to which the Bill may relate. Nor does it generally create any prejudice to the Treasurer in getting together a group of semi-government authorities to raise funds on the market.

Directly or indirectly, the Treasurer does have means by which semi-government authorities can be influenced, in some cases directly, with respect to their borrowing policy or lending policy, so that if the power of direction is removed there is no impediment to the Treasurer's objective in relation to the way in which the Government Financing Authority will operate. I made some reference to the fact that some statutory bodies ought to be subject to direction. I went on to say that, generally speaking, in the Statutes that establish those authorities either they are subject to the general control and direction of a Minister or their borrowing or lending policy must obtain the approval of the Treasurer because of the impact on the Budget. I do not believe that this amendment will prejudice the capacity of the Treasurer to operate the Government Financing Authority.

**The Hon. C.J. SUMNER:** The Government is not disposed to accept this amendment. The Bill introduced by the previous Government empowered the Treasurer to give directions under section 69d to any semi-government authority paying under the legislation. During the debate the problems with this blanket position were pointed out by a number of honourable members, including the Hon. Mr DeGaris. Concern was expressed about the sweeping powers possessed by a number of statutory authorities which felt that it would be inappropriate for the Treasurer to interfere with their charter, as given to them by the Parliament in their legislation.

I understand that, as a result of those comments, the former Attorney-General indicated that he would amend section 16 to remove the Treasurer's powers entirely. That, in fact, is what he is trying to do now. The Government realises that the Treasurer's power under this clause would not be properly applied in the case of a number of bodies that may be to blame, as semi-government authorities, under clause 4. On the other hand, there are some authorities, particularly those which rely substantially or entirely on Government funding, in relation to which it would be reasonable to give directions. We believe that complete removal of the powers in question would be an over-reaction to the representations that have been made and the course of action that we have pursued, which I should say was suggested during the previous debate by the Hon. Mr DeGaris, to make the directions under section 16 subject to regulation.

We feel that that is a reasonable middle course to adopt and will enable the Parliament to decide the appropriateness of any proposal to give a direction to an authority after having regard to the views of both the Government and the authority concerned. As I said before, this procedure was recommended, or at least suggested, by the Hon. Mr DeGaris when this matter was before the Parliament before the election. It was also suggested by two of the statutory authorities that approached the Government at that time. In those circumstances, I believe that the present Government has gone a considerable way toward containing the sweeping powers that were originally included in the Liberal Government's Bill that was introduced before the election by ensuring that the Parliament, in its oversight of regulations, has the means to disallow a direction that might be given by the Treasurer. There is sufficient interest to control, through the Parliament, the powers in clause 16, which are certainly quite broad.

**The Hon. ANNE LEVY:** It seems to me that the argument that has been raised by the Hon. Mr Griffin is really very simplistic. To suggest that all semi-government authorities over which the Treasurer should have the power of direction in this matter are already covered by their own Act—

**The Hon. K.T. Griffin:** I didn't say that they all are.

**The Hon. ANNE LEVY:** That would not stand up to investigation. The honourable member stated that in regard to many statutory authorities such power of direction already exists. For such authorities the clause in the Bill is irrelevant, whether or not it is included, because that power of direction already exists. It is very wide sweeping for the Hon. Mr Griffin to suggest that all the semi-government authorities over which the Treasurer should have power of direction are already catered for under their own Act.

**The Hon. K.T. Griffin:** I didn't say that.

**The Hon. ANNE LEVY:** If they are not already catered for, we need clause 16 as it stands.

**The Hon. K.T. Griffin:** We do not.

**The Hon. ANNE LEVY:** In that case, we will have to amend the Acts of all those semi-government authorities to give the Treasurer power to direct them.

**The Hon. K.T. Griffin:** If it impacts on the Budget, the Treasurer would already have given authority to borrow. Either the agencies are subject to the general control and direction of the Minister or, if they are not and if they can borrow and it impacts on the Budget, the Treasurer must still be involved. He must still give his approval, because it impacts on the Budget.

**The Hon. ANNE LEVY:** But clause 16 is not concerned with borrowing only: it is also concerned with depositing and lending, which, in financial terms, is the reverse side of the coin. It is a very different matter in terms of direction of the Treasurer. What the Hon. Mr Griffin says may be correct in terms of borrowing, but it does not apply to the lending activities of semi-government authorities, which are also covered in clause 16.

**The Hon. K.T. Griffin:** They receive money from the Government.

**The Hon. ANNE LEVY:** Yes, and they invest it at 3½ per cent until they use it.

**The Hon. K.T. Griffin:** That is not right.

**The Hon. ANNE LEVY:** It would be extremely desirable that they do not invest at 3½ per cent when that money could be put to better use.

**The Hon. K.T. Griffin:** They can deposit it with Treasury.

**The Hon. ANNE LEVY:** They may and they may not, but the Treasurer should have the power to direct where they deposit the money. I believe that the Treasurer requires a power such as this in regard to many semi-government authorities, and to pretend that that is already catered for in the Acts of those authorities is just not on. If that was the case, clause 16 would be irrelevant.

In regard to those authorities where this power is not provided in their own Act, I maintain that clause 16 as it stands is a very desirable and necessary power for the Treasurer and that the amendment moved by the Hon. Mr Griffin would remove this very desirable and necessary control not only over borrowing but also over the lending practices of semi-government authorities that receive their money from the Government in the first place.

**The Hon. K.L. MILNE:** We should remember that there are about 400 statutory authorities, some very large and well managed, but many very small, some of which are well managed but many of which are not well managed.

**The Hon. K.T. Griffin:** There would not be 400 within the definition of 'semi-government authority' in the Bill.

**The Hon. K.L. MILNE:** It depends which agencies will be proclaimed. There are about 400 semi-government authorities that come under scrutiny. The Australian Democrats share the concern of the Hon. Mr Griffin, but we believe that, if the five large statutory authorities that are foreshadowed in our amendment are not compelled to use the authority, they may or they may not do so, and I believe that the option could be granted to those five authorities.

If the option is granted to those five authorities, it would certainly overcome the difficulty that the Hon. Mr Griffin has raised. Therefore, we do not support the amendment, and I foreshadow that I will move an amendment to clause 16. I believe that that would be a better way of handling the matter.

**The Hon. K.T. GRIFFIN:** There are not 400 statutory bodies that will be affected by this Bill. From memory, that figure of 400 would take in bodies such as advisory committees and other bodies. If one looks at the definition of 'semi-government bodies', one sees that there is a body corporate, which is constituted by a Minister of the Crown, which has a governing body comprised of or including persons or a person appointed by the Governor or a Minister or other instrumentality of the Crown, or which is financed wholly or in part out of public funds.

There is an additional proviso that the body must be declared by proclamation to be a semi-government authority. There is no way in the world in which we could end up with 400 semi-government authorities under this Bill. In fact, there would probably be no more than 100, if that. That is probably being generous: there may be only 50. Therefore, I believe that that undermines the Hon. Mr Milne's argument right from the start.

I would like to respond to what the Hon. Anne Levy stated. First, I did not say that every statutory body in its legislation was subject to the general control and direction of the Minister. I said that, generally speaking, there is a provision that makes a statutory body that is covered by this legislation subject to the control and direction of the Minister, but, if there is not that provision in a specific Statute setting up the body, the Treasurer has other means by which he can control the borrowing and lending of these bodies.

**The Hon. Anne Levy:** So it does not matter what clause 16 states. We might as well leave it as it is.

**The Hon. K.T. GRIFFIN:** Clause 16 gives a more specific power of direction to the Treasurer.

**The Hon. Anne Levy:** But you say that he has the power.

**The Hon. K.T. GRIFFIN:** He has the power to influence what the statutory body does. For example, the Electricity Trust of South Australia is not subject to the general control and direction of the Minister, but in regard to borrowing, ETSA must have the approval of the Treasurer. Through that power the Treasurer can influence the terms and conditions on which ETSA borrows, so that in one way or another the Treasurer has the capacity to influence the borrowing and depositing policy of the semi-government authorities that are likely to be caught by this Bill.

**The Hon. Frank Blevins:** But what you have just said undermines your argument and the whole point of the amendment. It seems to me that you want to have your cake and eat it, too.

**The Hon. K.T. GRIFFIN:** No. Clause 16 makes it mandatory and expressly provides a power of direction by the Treasurer.

**The Hon. Frank Blevins:** You are saying that there is a *de facto* power, anyway?

**The Hon. K.T. GRIFFIN:** That is right.

**The Hon. Frank Blevins:** So what is the point?

**The Hon. K.T. GRIFFIN:** That is the way that it ought to be. The statutory authorities should be governed by their own Statutes.

**The Hon. Frank Blevins:** This spells out more clearly that what you are saying, in effect, happens.

**The Hon. K.T. GRIFFIN:** In effect, I am saying that there is influence that is less direct and specific.

**The Hon. Frank Blevins:** Is that desirable?

**The Hon. K.T. GRIFFIN:** The Attorney-General stated that the regulation provision was a safeguard, but I have already dealt with that matter in the second reading debate. One must have the numbers to disallow a regulation, and if a regulation is disallowed, it can be repromulgated the day after it is disallowed, so there is no protection for the semi-government authority. Moving the direct and specific power as I quoted in my amendment is the best way of dealing with the matter.

**The Hon. C.M. HILL:** This Bill had not, during the previous Government, reached the final stage of debate in this Council. There have been misgivings expressed by some of the local government authorities which were affected by this Bill, and also some very responsible semi-government authorities were concerned that they were being brought

into the net in the rather extreme way that the Bill decrees they should be controlled.

I support the Hon. Mr Griffin's amendment because it leaves the initiative in the hands of an authority. In regard to this clause we are dealing with the future borrowings of these bodies and future deposit moneys which should, in the opinion of the authority, be lodged with the Treasurer, no doubt for use by the authority. So, in clause 16 we are considering the future activities of those authorities.

It is better to leave the initiative with the authorities as to whether or not the authorities wish to borrow or deposit moneys, rather than leave in the clauses the direct instruction, so that if the Treasurer says that they have to do this or that, they have to do it. That is absolute compulsion. There is a degree of evolution regarding the establishment and working of an authority, and it could well be that after a period of time, if an amendment was needed, a change could be proposed by the Government of the day to enforce rigid controls that I do not think should be there now, but are included in this Bill, particularly in this clause.

In regard to the decision by the Government to try to meet the wishes of the Hon. Mr DeGaris on a previous occasion, I can well appreciate that it has made gestures by laying down that regulations must be approved by Parliament before this can take place. I listened to the point raised by the Hon. Mr DeGaris concerning deficiencies in the regulations, in that there is a period of time, on occasions, when it is difficult for Parliament to consider a matter because it is not sitting. That argument would apply more strongly in regard to clause 16 than in regard to the amendment I will move later to clause 18.

It may well be that money is now available on international markets for borrowing and may not be available in the relatively near future. It seems to be a rather clumsy mechanism if the authority is unable to close such a transaction on an occasion when Parliament is not sitting in the certain knowledge that it may be four, six or even eight weeks before final approval could be given by Parliament to the proposal.

Whilst the Government's intention in practice can be understood, this check that has been written into the legislation is rather ineffective in view of the need, on occasions, for immediate borrowing to take place and, on occasions, deposit moneys might be needed by the authority in a reasonably short time. But, in the general thrust of the amendment and bearing in mind the uncertainties, misgivings and feelings that have been raised by some of these very responsible semi-government authorities, because some of them look upon it as a slight on their ability to manage their own affairs—and some of them are most efficient in that regard—it is prudent to support the amendment of the Hon. Mr Griffin which, at this point in time, leaves the iniative with the semi-government authorities as to whether or not they wish to borrow or deposit moneys through this mechanism.

**The Hon. K.L. MILNE:** The Hon. Mr Griffin pointed out that there would not be 400 statutory authorities, but that there might be 100 or 50. Whatever the figure, it does not alter the principle. The Democrats believe that the efficient authorities should be excluded from the legislation and that the others should be left with a control. The Hon. Mr Griffin mentioned that the Electricity Trust of South Australia borrows, but does not lend. Of course, when the Electricity Trust of South Australia raises a loan it gets a lump sum of money at one time and the first thing it does is put it on short-term deposit or on call on the short term money market. So, in effect, it does lend and, therefore, we have to be careful about any change of definition.

**The Hon. R.C. DeGARIS:** I understand the amendment moved by the Hon. Mr Griffin. I believe that there should be some authorities under the direction of the Treasurer. When the Hon. Mr Griffin spoke he mentioned that he felt the need for some direction. Although a particular semi-government authority may, in its own statute, be directed by the Treasurer, this Council has no information as to the history of semi-government authorities that will be under this Act. I believe that the initiative is clear and I feel that there should be an ability by the Treasurer to give directions to some of the authorities. I also believe that there should be no direction for other authorities.

I prefer the amendment of the Hon. Mr Griffin. I suggest that the Council examine the amendment of the Hon. Mr Milne. What he is saying is that certain authorities should be excluded. As far as I am concerned both banks should be excluded and should not be under the direction of the Treasurer in this matter. The clause should then be left alone, so that by regulation other authorities can be given a direction by the Treasurer. There is a means of achieving a consensus among us as the Government has its view as to how it wants the Bill and the Hon. Mr Milne and the Hon. Mr Griffin want changes. We should be able to reach an agreement as to which amendment we will go for.

At this stage I am more inclined to support the Hon. Mr Milne's amendment because it totally excludes those authorities that should be excluded, but allows the Government the right, by regulation, to direct other authorities, which the Government should have the power to do.

**The Hon. C.M. HILL:** I am inclined to support the amendments. I would like clarification regarding the regulations proposed in subclause (2). As I read the Bill, the regulations would lay down plans by which certain instructions are to be given regarding borrowings by certain semi-government authorities. One of the points made by the Hon. Mr DeGaris dealt with regulations laying down the specific authorities which should come under the provisions of the Bill. Can the Minister make clear his intentions as to whether or not subclause (2) deals with the question of actual loans or deposits that are proposed, whether or not it is intended to specifically lay down by regulation the actual semi-government authorities that are to be involved and whether or not it will possibly exclude proposed borrowings or deposits?

**The Hon. C.J. SUMNER:** As I understand the position, it could lay down a mechanism whereby the Treasurer could direct money to be borrowed from the authority or deposited with the authority or, alternatively, could be more specific in relation to a particular borrowing or deposit, depending on the current state of the regulations. So, I can only answer by saying that I believe that the power in clause 16 (2) is broad enough to encompass authorisation of the particular statutory authorities that come within the purview of clause 16. Further, it could authorise a mechanism whereby the Treasurer directs the deposit or borrowing of moneys by the authority or, thirdly, it could apply to specific borrowings or deposits. I am not in a position, obviously, to give an absolutely firm opinion on this matter at this point of time, but my view would be that clause 16(2) is broad enough to encompass those three sets of situations.

**The Hon. C.M. HILL:** I suggest respectfully that progress be reported for a short period so that some further discussions might take place to make quite clear the fact that the regulations would include, amongst other things, those authorities that would come under the provisions of this Bill. That is certainly something about which Parliament should have something to say, and that would be made quite clear, possibly, then.

**The Hon. Frank Blevins:** You did not tell us three months ago. Do you want the whole list?

**The Hon. C.M. HILL:** No, we do not want it now, but in regulations when the Government decides which authorities it proposes to be involved with.

**The Hon. C.J. SUMNER:** I do not see the need for it. I believe that the subclause has a broad operation. In my interpretation of it—I am not entirely sure why the honourable member wants progress to be reported—the regulation could specify the particular institutions; it could specify the mechanism whereby the Treasurer could require moneys to be borrowed or deposited, or it could relate specifically to the individual loans. I am not entirely sure what reporting progress would do to clarify that situation. Unless the honourable member can give me any more compelling reasons, I am not disposed to accept his suggestion.

**The Hon. C.M. HILL:** One amendment specifies certain authorities that should be excluded. Presumably, all the rest will be in. We have the view put by the Attorney that possibly these regulations would include a list of those that the Government proposes will be involved. There is not much point in our debating an amendment which excludes some and puts all the rest in if by this subclause (2) the Government intends to bring down regulations which specify and make quite clear those authorities which are going to be involved.

**The Hon. C.J. SUMNER:** The Government obviously at this stage does not have a list of authorities which would be prescribed by regulation under clause 16 (2). Neither should it be expected to have at this point in time. Clause 16 is a general clause which was introduced in the previous Government's Bill and to which there has been some compromise admitted by the present Government and some acceptance of the fact that perhaps the powers in the Bill as originally introduced by the Hon. Mr Hill's Government were too broad. For that reason the regulation-making power has been brought in. I am not in a position at this stage to specifically prescribe which authorities would be brought within the Treasurer's direction under clause 16. Of course, it may change from time to time. That is the whole point in having it done by way of regulation rather than by specific prescription in the Act—to give that degree of flexibility which regulation-making gives to the situation and which provisions in an Act of Parliament do not give. So, I am not really in a position to give that information to the honourable member. I do not believe that the Bill should be held up on that basis, and I cannot see the need to report progress.

**The Hon. C.M. HILL:** In my view, it is very poor legislation.

**The Hon. C.J. Sumner:** It was your legislation.

**The Hon. C.M. HILL:** Part of it was, but it had not passed this Council. Authorities are being instructed as to how they should borrow and deposit their moneys. The Government apparently will oppose the Hon. Mr Milne's amendment, which means that the Government will not make any disclosure, even by regulations at a later date, so that Parliament can look at the specific authorities that the Government wants included or not.

Then, on top of that, this momentous compromise of the Government of doing it by regulation is, of course, quite frankly, in practice a sham. As I said, if money is available now to be borrowed on the national or international money market one has to close on this business. One cannot say to a lender in the United States, 'We will borrow $20 000 000, but it will all be conditional on a regulation being brought down and considered by Parliament when it next meets, and that might be in two months time.' So it is a sham, and if the Treasury knows that an authority has money on deposit and requires that money for lending through the authority to some other party, it wants it now for a specific purpose. Therefore, it cannot say, 'We want that money, but cannot lay our hands on it because Parliament still has to consider the issue through the machinery of regulations, and Parliament is not sitting at the present time.'

Decisions regarding the borrowing and placement of deposits are relatively short-time decisions, I suggest, and do not in any way match up with the machinery of regulations. So, again I say that the misgivings that have been expressed ever since this Bill was first moved are quite real when one comes to debate the nitty-gritty clauses that are before us. If it goes through in its present form—and it seems that it will because of the tenor of the discussions so far—I can only hope that the Government will be extremely cautious in regard to the decisions that it makes, and that it makes very wise decisions, because we should not accept the fact that all semi-government authorities are not as good as the Treasury or are not as good as this proposed authority will be in the skill, the art and the science of borrowing and depositing funds of this kind.

**The Hon. R.C. DeGARIS:** Has the Attorney-General any objection to the exclusion of the two banks from this clause?

**The Hon. C.J. SUMNER:** I can understand the position that the Hon. Mr DeGaris is putting in regard to the two banks, and it is certainly a matter to which I am willing to give further consideration. I appreciate that the two banks are included, and thereby excluded from the operation of clause 16, along with a couple of other statutory authorities, in an amendment yet to come before the Committee following consideration of this amendment and as a result of an initiative of the Hon. Mr Milne.

At this time, while I have some feeling for the position put by the Hon. Mr DeGaris and the Hon. Mr Milne, I am not in a position to give an undertaking about the exclusion of the two banks, although it is certainly a matter I would like to further consider, and I will do so as soon as possible. The amendment moved by the Hon. Mr Griffin is far too broad in its scope, as it restricts the power of the Treasurer in an area where the Treasurer rightly has authority and should have authority to make directions. There are categories of semi-government authorities and statutory corporations where the Treasurer ought to have a clear and unequivocal power to direct that moneys may be borrowed from the authority, or direct that money shall be deposited with the authority. That is clear.

Of course, the Hon. Mr Griffin's amendment, which we object to, is to take away any power of the Treasurer in this area. That is too broad. There may be some room for discussion in relation to banks. I do not want to exclude that, but it is a matter to which I will need to give further consideration. Consideration need not be given at this stage because the amendment now being debated should be defeated. If we are to discuss particular statutory authorities, it should be done in the context of the amendment of the Hon. Mr Milne.

The Committee divided on the amendment:

Ayes (10) — The Hons. J.C. Burdett, M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin (teller), C.M. Hill, Diana Laidlaw, R.I. Lucas, and R.J. Ritson.

Noes (11) — The Hons. Frank Blevins, G.L. Bruce, B.A. Chatterton, J.R. Cornwall, C.W. Creedon, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, C.J. Sumner (teller), and Barbara Wiese.

Majority of 1 for the Noes.

Amendment thus negatived.

**The CHAIRMAN:** The Hon. Mr Griffin has an amendment on file to leave out all the words in this clause in lines 14 and 15. If he is successful, it will be impossible for the Hon. Mr Milne to insert words in line 15. Does the Hon. Mr Griffin intend to proceed with his amendment?

**The Hon. K.T. GRIFFIN:** Because my previous amendment has been negatived, I will not proceed with the next amendment foreshadowed, because it is consequential.

**The Hon. K.L. MILNE:** I move:

Page 6, line 15—After 'the regulations' insert 'and such a direction shall not be given, in any event, to any of the following authorities—

*(a)* The Electricity Trust of South Australia;
*(c)* the South Australian Housing Trust;
*(d)* the State Bank of South Australia;
or
*(e)* the State Government Insurance Commission.'

I am not suggesting for one moment in moving my amendment that those authorities not listed in this amendment are necessarily inefficient or reprehensible. Most of them are respectable and dedicated. I simply believe that the Bill was never intended to direct major statutory authorities such as those that I have listed.

I do not think that the present Government intends, or the former Government really intended, to direct, or is concerned about directing, those authorities. If it was, I would object strongly to the whole Bill, because interference in the investment policies of those types of authorities would not be in the best interests of this State. I think, that if it was known that the Treasurer was going to interfere with the investment policy of the Electricity Trust that would have an impact on the Stock Exchange or on the authority's normal borrowing operations, to the detriment of ETSA.

I have pointed out before that, if the insurance world believed that the investment policy of the State Government Insurance Commission was to be directed by some outside body, that would have an effect on their insuring powers and they would not get reinsurance to the same extent overseas. The Insurance Division is part of an international network of insurers. I do not feel so strongly about the South Australian Housing Trust. However, the two banks, as members of an international banking network, would suffer, too, if there were interference other than from their boards. I genuinely believe that. I do not think that the present Government, or the Opposition, ever intended that to happen. In other words, I feel that the Hon. Mr Griffin's amendment is too broad and takes away more powers than perhaps would be desirable. I believe that the Government's Bill, as it stands, is too restrictive and would be detrimental to those major and important statutory authorities. There might be other authorities that could be listed later, but for the time being I will list the five only.

**The Hon. C.J. SUMNER:** I think that there may be room for some discussion about the amendment that has been moved by the Hon. Mr Milne. I do not think that the situation is as simple as he has made it out to be. Although not completely under the general control and direction of the Government, the statutory authorities to which he has referred are certainly, in some respects, subject to Government or Treasury control. For instance, the Treasurer has control over ETSA borrowings. The Treasurer also has control over S.G.I.C. investments and can direct it in relation to those investments. At a more general level, the Government would have some power over State Bank moneys raised through the Loan Council, but that is a general power. The South Australian Housing Trust is a Government authority that relies exclusively on Government support.

**The Hon. R.C. DeGaris:** Have you power to direct the bank to invest in the authorities?

**The Hon. C.J. SUMNER:** At present, no. I am saying that the present power over the bank is a general one that can be exercised only as a result of Loan Council borrowings, but there is a specific power in relation to the S.G.I.C. and a power in relation to ETSA in relation to Treasury approval of borrowings. Therefore, it is not correct to say that all the statutory authorities in the honourable member's list are independent of Government, because they are clearly not. I think that this Council and the House of Assembly have probably reached a point where some compromise might be able to be worked out. It also seems that, in terms of trying to facilitate the procedures, we either do that or crash on with our Bill and the Hon. Mr Milne crashes on with his amendment, which I suggest would now have the support of the Liberal Party, in view of the position that it took on the earlier amendment, but that I do not know. It may be that there is some room for compromise. If there is, I will certainly report progress, but at this point I would like to hear the views of other honourable members.

**The Hon. K.T. GRIFFIN:** I welcome the conciliatory attitude of the Attorney on this issue. If he reports progress, I am prepared to talk to him about a possible compromise.

**The Hon. C.J. Sumner:** I would like to hear first the honourable member's attitude to the Bill and the amendments.

**The Hon. K.T. GRIFFIN:** We have some sympathy with the Hon. Lance Milne's amendments. He goes part of the way towards what we are seeking to achieve, that is, to remove the power for the Treasurer to give a direction. If the Attorney-General is giving consideration to the Hon. Mr Milne's amendment, he might also consider the position of the Public Trustee, because the Public Trustee is a semi-government authority within the definition. It is correct that it may not be proclaimed but, nevertheless, the Electricity Trust, the Savings Bank and the other bodies named in the Hon. Lance Milne's amendment may not be proclaimed. Either there is potential there for proclamation of those bodies, as there is with the Public Trustee—

**The Hon. R.C. DeGaris:** Are you sure that the Public Trustee is included in the definition of 'semi-government authority'?

**The Hon. K.T. GRIFFIN:** I think so.

**The Hon. R.C. DeGaris:** I think so, too, but other views are held about this.

**The Hon. K.T. GRIFFIN:** My view is that the Public Trustee is a body covered by the definition of 'semi-government authority'. Rather than prolong the debate at this stage, I merely draw the Attorney's attention to the question of the Public Trustee, because obviously there are substantial amounts of trust funds there which ought not to be bundled in with the general funds of statutory authorities that remain subject to direction. The other body that immediately comes to mind (which might not present any difficulty but which I flag for consideration) is the Legal Services Commission which, under its Statute, is specifically to be free from any Government interference. I suspect that this Bill would, in fact, override that specific provision. They are two points that the Attorney ought to take into account.

Progress reported; Committee to sit again.

## STAMP DUTIES ACT AMENDMENT BILL (No. 3)

Adjourned debate on second reading.

(Continued from 14 December. Page 83.)

**The Hon. K.T. GRIFFIN:** The Opposition has no specific objection to this Bill. Generally, the Bill picks up the amendments that were embodied in a Bill that was introduced in the House of Assembly by the Liberal Government in the last session and adds to the matters that were under consideration by the Liberal Government at the time of the election. The Bill also picks up the increase in the stamp duty concession to the purchaser of the first principal place

of residence, which is consistent with Liberal Party policy at the recent election.

That policy is an extension of the Liberal Government's policy in the 1979 election, which was implemented soon after the election and which, during three years, benefited about 23 000 first home buyers at a cost to revenue of some $11 000 000. So, that initiative, which came into operation soon after the 1979 election, was particularly significant. The Opposition is pleased to see that that initiative is being expanded and continued by the new Labor Government.

**The Hon. Frank Blevins:** We keep our promises.

**The Hon. K.T. GRIFFIN:** This is one promise that the Labor Government has kept. We are keeping a very close tab on all the promises that the Labor Party made, and we will not be hesitant in reminding members opposite of the promises which they have broken, one of which was highlighted today in the Council. The Bill amends the threshhold rate of stamp duty on loans. Some difficulties were experienced by lenders because of the increase in interest rates. The threshold rate had been increased periodically to meet the increase in the general interest rates and to ensure that transactions that had previously been exempt from stamp duty remained exempt.

However, the point was reached where the threshhold rate was too low to enable the exemption to be made without affecting traditional areas of revenue collection, such as Bankcard. If the threshold had been increased beyond that which was current, Bankcard transactions would have been exempt from this stamp duty, creating a significant loss to revenue.

The previous Government resolved to allow both differential threshhold rates to be fixed and also classes of transactions to which those differential rates apply to be prescribed. I am pleased to see that this matter has been picked up by the new Government. The previous Bill covered exemption from stamp duty of transfer of semi-government securities in this State. As the second reading explanation indicated, that initiative was designed to pick up the Loan Council's recommendations as a move towards establishing a secondary market in semi-government securities.

We move then to a provision that enables banks in particular to pay duty on interstate cheques by return rather than by adhesive stamp. That is a commonsense proposal. Presently, a great deal of administration is involved in individual banks having to fix adhesive stamps to each interstate cheque that is presented for payment in South Australia. The Opposition is pleased with this amendment.

A further amendment relates to a very signficant change in respect of the base on which *ad valorem* stamp duty is imposed. The amendment is designed to deal with a particular stamp duty avoidance scheme. Again, this matter, although not in the Bill introduced by the previous Government in the House of Assembly, was certainly to be the subject of a subsequent Stamp Duties Act Amendment Bill. Specifically, section 60a of the Stamp Duties Act is amended by changing the basis of assessing stamp duty from consideration to market value of the property that is the subject of a transfer or conveyance.

The amendment is designed to cope particularly with the stamp duty avoidance scheme whereby a party to a conveyance would take out a mortgage on property that is to be conveyed, that mortgage being a substantial amount taken out prior to the sale, and the property would be transferred as a voluntary disposition, with the amount of the mortgage being deducted from the value, the duty therefore being imposed on a very small amount of consideration. After settlement, the mortgage was discharged, I suspect sometimes, if not always, by transfers between the bank accounts of the parties. Certainly, the Liberal Government was not prepared to support that scheme, and the Liberal Opposition is pleased to see that the loophole is being closed by this amending Bill. No other State allows the practice of deducting mortgage liability for a voluntary dispossession to arrive at the net value on which duty is imposed.

Clause 10 is designed to overcome difficulties where consideration is the basis of assessment of *ad valorem* duty, although I notice from amendments that have been circulated that the Attorney-General is no longer proceeding with that amendment for technical reasons. Another significant area is the partition of jointly-owned property. At present, where there is a partition the stamp duty is minimal. A scheme used by a small number of professionals within the community is, to a large extent, artificial, but is, nevertheless, allowed by the Act.

The partitioning is used artificially as a device for minimising stamp duty, which again is consistent with what the previous Liberal Government was proposing, but it does specifically protect the partition of property within a family group. That is important because the Liberal Government did not want to prejudice transactions that had occurred traditionally between members of a family group where duty was at a minimum. For the purpose of this section a family group is defined as a group of persons connected by an unbroken series of relationships of consanguinity or affinity. That is a fairly wide provision.

In clause 16 of the Bill there is provision for banks and other lenders to transfer stamp duty from one mortgage to another and, again, that is supported by the Opposition. There is no reason for the Opposition to oppose any of the provisions in the Bill, as it is consistent with Opposition philosophy.

Bill read a second time.

In Committee.

Clauses 1 to 9 passed.

Clause 10—'Consideration where property conveyed subject to a liability.'

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

Page 3, lines 41 to 46—Leave out all words occurring in these lines after the passage 'are repealed'.

Proposed new section 67 is not being proceeded with in order to avoid unintended consequences that might result from its interaction with section 71. The Hon. Mr Griffin mentioned this matter during his second reading explanation. If the provision were enacted it might result in certain conveyances that are presently not subject to duty either as conveyances on sale or voluntary dispositions *inter vivos* becoming dutiable as conveyances on sale. This was not intended. If the provision is omitted, in the case of a conveyance that is dutiable as a conveyance on sale, the effect of proposed new section 60a will be that duty will be assessed on the unencumbered market value of the property, that is, the value of the property disregarding the fact that property is being conveyed subject to a liability. In most cases the unencumbered market value will be at least equal to the sum of the amount of the considertion for the conveyance and the amount of the liability.

**The Hon. K.T. GRIFFIN:** I support the amendment for the reasons which have been adequately explained.

**The CHAIRMAN:** This is a money Bill and deals with taxation. Therefore, all amendments will be treated as suggested amendments.

Suggested amendment carried; clause as amended passed.

Clause 11—'Duty in certain cases.'

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

Page 4—

Line 3—Leave out 'on sale'.
Line 5—Leave out 'on sale'.
Line 8—Leave out 'on sale'.
Line 11—Leave out 'on sale'.
Line 15—Leave out 'on sale'.

Each of these amendments is being moved for the same reason, that is, to ensure that conveyances to which section 68 applies and which also fall within section 71(3)(a) are chargeable with duty as voluntary dispositions *inter vivos* in accordance with the provisions of section 71. If the words 'on sale' were not omitted, it would have been arguable that such conveyances would necessarily be chargeable as conveyances on sale and be treated as falling outside the terms of section 71.

**The Hon. K.T. GRIFFIN:** I support the amendments. They are consistent with the change on the basis of assessing *ad valorem* duty.

Suggested amendments carried; clause as amended passed.

Remaining clauses (12 to 17) and title passed.

Bill read a third time and passed.

## SAVINGS BANK OF SOUTH AUSTRALIA ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 14 December. Page 84.)

**The Hon. K.T. GRIFFIN:** The Opposition supports this Bill, which originated with the Liberal Government. It deals with several minor changes, largely of an administrative nature. The enabling impact of the Bill is to provide a legislative basis for the Savings Bank of South Australia to complete its agreement with the French merchant bank C.C.F. That agreement between the Savings Bank of South Australia and C.C.F. was a major coup for South Australia and the Liberal Government. To have a major international merchant bank—

**The Hon. Frank Blevins:** It is a good socialist bank, at that.

**The Hon. K.T. GRIFFIN:** Certainly, it is owned by the French Government but, of course, it has acted as a merchant bank and corporate financier around the world for a number of major international companies.

**The Hon. Frank Blevins:** All its profits go to the French people.

**The Hon. K.T. GRIFFIN:** Well, it is very much interested in the profit motive. Apart from that digression, which is entirely irrelevant to this legislation, let me repeat, if members need to have it repeated, that the agreement with C.C.F. was a major coup—

**The Hon. Anne Levy:** Is that relevant?

**The Hon. K.T. GRIFFIN:** The honourable member should give credit where it is due. It was announced at the time of the last election; we saw the Labor Opposition (as it then was) making some vague reference to its desire to see a merchant bank established in South Australia. It did not realise that we had an ace up the sleeve. Of course, attracting the merchant bank to South Australia, like having a stock exchange in Adelaide, will enhance the capacity of corporations to raise finance and will also attract associated businesses that depend on an appropriate financial trading base. The bank really is the culmination of two years of negotiations by the Liberal Government. I have already, by way of digression, referred to the fact that C.C.F. is a world-renowned merchant banking group. Its experience will be invaluable to South Australia, to businesses in South Australia and to the Savings Bank of South Australia, and I am pleased that the Savings Bank of South Australia has shown its enterprise in wanting to diversify its banking activities as well as to give its staff much wider experience than it previously had in the business and merchant banking fields.

The other effect of the Bill that is related to that is to relieve the Savings Bank of South Australia from paying a tax to the State Government on the profit derived from merchant banking activity. Honourable members should realise that it was the Dunstan Labor Government which imposed a quite onerous tax on the Savings Bank of South Australia. This is one small way in which the Savings Bank of South Australia can be relieved of that burden on profits, which will be subject to company tax because of the vehicle in which it carries on business, namely, a limited liability company. As I said at the outset, the Opposition is pleased to support this Bill in order to facilitate the Savings Bank of South Australia and the merchant bank (C.C.F.) entering into an area which will be of lasting benefit to South Australia.

**The Hon. C.J. SUMNER (Attorney-General):** Suffice for me to say 'Thank you' to the honourable member for his contribution. It is one of those matters in which a bipartisan policy has been developed, and I appreciate his support for the Bill.

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

## DOG FENCE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 14 December. Page 85.)

**The Hon. M.B. CAMERON (Leader of the Opposition):** This is a very important Bill, and it has the support of the United Farmers and Stockowners of South Australia. The first matter which is included is the change of the name of the Stockowners Association to the United Farmers and Stockowners because, most members will be aware, of the amalgamation of the two former bodies into one organisation. Of course, this means that nominees to the Dog Fence Board now come from that joint organisation.

The Bill, one can say, drastically alters the funding that will be applied to the fence. It increases the maintenance subsidy payable by the board from $45 per kilometre to $225 per kilometre, and also increases the maximum rate from 20 cents per square kilometre to $1 per square kilometre. It is intended, I gather, that 55 cents of that potential rate shall be applied in the very near future. It is a large increase but, as I say, one that has the support of both the United Farmers and Stockowners and the people directly involved. However, I caution the Government that this is not a season for dramatic increases on people in the pastoral areas, particularly these areas, and I urge it to examine carefully the potential effect on stockowners of proclaiming this Bill immediately because there may well be some problem associated with the finance that the people affected by the Bill will be required to find. It may cause a problem, but it should be examined carefully before the Bill is proclaimed.

Another effect is to make it mandatory that patrols of the fence are carried out at intervals of not more than 14 days. I must say that, although I understand that this again has the support of the United Farmers and Stockowners, I find that requirement potentially a very difficult one because weather conditions can be variable. It is dry most of the time, but it can be very wet some of the time.

**The Hon. Frank Blevins:** How would you check up on that?

**The Hon. M.B. CAMERON:** I am damned if I know. I would be interested to know how you could prosecute. You would have to have a time clock at one end and a time clock at the other end, or get a black tracker out. They are very good and may give an indication of whether a fellow has been there in the last 14 days or not.

**The Hon. Frank Blevins:** It is not going to be easy.

**The Hon. M.B. CAMERON:** Yes, it does create in my mind an unenforceable provision.

**The Hon. J.R. Cornwall:** It is a question of user pays.

**The Hon. M.B. CAMERON:** But what happens if the owner himself does the patrol? You have to rely very much on people's honesty as to whether they are going to do it. A requirement is now being included that is not enforceable. Some people with up to 300 kilometres of fence to look after will have difficulty in patrolling that length of fence at such intervals, especially if they encounter problems. I flag that doubt, because I doubt the provision will ever be enforceable.

The dog fence is an extremely important part of South Australia. It has saved South Australian stockowners much expense over a long period. This dog fence is the last of many that were dotted all over South Australia, in the South-East, and up to Bordertown, and gradually the fence moved to its present site. The dog fence has played an important role, and it is important that it be continued. It is interesting to read the history of this State, and I refer to the area at Pinnaroo where I have direct knowledge, because my wife's grandparents initially settled there taking 10 000 sheep to the area and coming back with none because of the ravages of dingoes. It is not readily understood in our State's recent history how important the dog fence has been. Dingoes still roam in a national park in the Pinnaroo area, but I understand provision is being made for electric fencing in that area, if it has not already been provided.

There has been a move towards electrification of the dog fence principally to prevent damage by wombats. Once they have damaged the fence, there are grave maintenance problems. Indeed, the quality of the fence is a problem now because much of it is getting old and it is unlikely that sufficient funds can be raised by this new provision to provide for the renewal of the fence. The renewal of the fence will be important, especially in ensuring the safety of the sheep population on this side of the fence.

The Government should look carefully at how much money will be required. It would not be fair to ask people who presently contribute to that fence to meet the full cost of its renewal. The situation should be considered by the State. A move to levy woolgrowers, a policy of the United Farmers and Stockowners, was not on because it would be a tax that would be unacceptable on a State basis, and it also met opposition in some other areas. Some farmers claimed that they would not benefit from it, but I accept that it is a protection for all of us, even though we never see a dingo.

At some stage the State must look at providing more funds for the renewal of the fence. I understand that the Government intends to match every $1 raised in rates with a $1 subsidy. This shows that taxpayers make some contribution. The Government will have to look further at that question. The Bill has the support of the Opposition, but the timing of its proclamation should be considered carefully.

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

## SOUTH AUSTRALIA JUBILEE 150 BOARD BILL

Adjourned debate on second reading.

(Continued from 14 December. Page 94.)

**The Hon. K.T. GRIFFIN:** Obviously, the Opposition supports this Bill, which is identical to the Bill which we introduced when in Government, a Bill which is necessary to ensure that the Jubilee 150 Board has a formal structure and is taken outside the operation of the Public Service. Presently, it operates within the Public Service Department of the Premier and Cabinet, but it is constrained in its activities by that factor.

Obviously, the Jubilee 150 Board will engage in some activities with a commercial flavour, particularly in the area of the sale of rights to the logo and the rights to participate in Jubilee 150 under the sponsorship of the Jubilee 150 Board. If it is to engage in some activities of a commercial flavour, it will be constrained in that endeavour if it is part of the Public Service. As a separate statutory body it will have a great deal more freedom and flexibility.

The bicentennial authority established under Federal legislation puts the body responsible for organising Australia's bicentenary celebrations outside the ambit of the Public Service and gives it an identity of its own with freedom and flexibility to ensure that the celebrations for the bicentenary are the best possible.

The Jubilee 150 logo needs protection, which this legislation provides. As well as providing for courts to award substantial damages where profits have been made from illegal use of the logo the Bill also contains a sunset clause which the former Government believed to be very important and which the Opposition believes to be important. The sunset clause is dated 31 December 1987, one year after our sesquicentennial year. The Liberal Government established the structure for the Jubilee 150 Board. All South Australians can be proud of the work that is being undertaken by that board and particularly the work of the Chairman, Mr Kym Bonython, who is making a most significant contribution to ensure that this Jubilee 150 celebration will be a significant occasion in the life and history of South Australia.

The Liberal Government made commitments to the Jubilee 150 board with respect to funding. The amount involved was of the order of $10 000 000, to be made available over the next three years leading up to 1986. I hope that the new Labor Government will maintain that commitment. The Liberal Government recognised that, if the celebrations for our Jubilee 150 anniversary were to be of worldwide significance, there would need to be that sort of funding commitment given now to enable appropriate planning to be undertaken. Some of the projects being sponsored by the board require funding to be made available now and some require continuous funding progressively up until 1986. Having started this project as a Liberal Government, we assure honourable members that we will be back in 1986 to see it consummated.

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

## PLANNING ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 14 December. Page 95.)

**The Hon. J.C. BURDETT:** The Opposition supports this short Bill. It is almost identical to the Bill introduced by the former Government and deals with two relatively unimportant matters, namely, the date of operation of the new Act passed during the time of the previous Government and the validity of development plans. This really consummates the work with regard to the Planning Act put in train by the previous Government and passed through the previous Parliament. Therefore, the Opposition supports this Bill.

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

## EXECUTORS COMPANY'S ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 14 December. Page 81.)

**The Hon. K.T. GRIFFIN:** This legislation, which deals with the limitation on the number of shares which any shareholder or group of shareholders may hold in the company, presents difficulties. However, the principle has now been well established that there is a limitation on the number of shares that can be held in the executors company. This Bill does no more than tighten up the provisions of the 1980 amending legislation, which in turn tightened up the provisions of the 1978 amending legislation. In the course of the implementation of the 1980 legislation certain administrative difficulties were experienced both by the company and the Corporate Affairs Commission. As a result of that happening, this legislation is now before us.

The Executor Company in South Australia is subject to the same sort of protections as far as the shareholder is concerned as is the principal trustee company in Western Australia. The protection is by legislation, which has similar effect to the Executor Company's Act in South Australia. That protection is given by Statute principally because of the significant amount of trust funds that are managed by the Trustee Company of Western Australia and the Executor Company of South Australia. Those funds constitute not only cash but also shares, personal property and real property. Of course, they represent the assets of a wide range of beneficiaries, both small and large amounts. For that reason, the limitation of shareholding is preserved by legislation.

The Bill seeks to ensure that this company will not fall into the hands of any one person, company, or group of companies, because, if it did so, the trust funds might be prejudiced. The Bill, limiting the number of shares held by any person or group, is designed to ensure that that does not occur. Obviously there have been difficulties in the administration of the 1980 legislation in attempting to ensure that that principal was maintained. Although the second reading explanation refers particularly to a Mr Brierley, the application of the legislation is the same whoever seeks to thwart the principle in the legislation.

Generally, the Opposition supports the Bill. As the Attorney-General and Minister of Corporate Affairs, I was concerned about some of the practical difficulties in implementing the spirit of the 1980 legislation, and I was considering some form of amending legislation to deal with those deficiencies. Generally, the Bill is supported, but I alert the Council that there may be a reservation with respect to proposed new subsection (3) of proposed new section 29a, which, in some respects, gives retrospective effect and validity to a declaration by the directors if there is any doubt about validity of an earlier declaration.

My information does not suggest that a declaration has been made invalidly, but at this stage there is a reservation in regard to that new subsection. That reservation will be considered tonight, so that the matter can be clarified in Committee. I would certainly hope that the matter can be resolved tomorrow once and for all so that the Bill can pass the House of Assembly and be enacted as quickly as possible. This is not the sort of legislation that one would want to leave on the Notice Paper over the long Christmas recess. With that reservation, the Opposition supports the Bill.

**The Hon. C.J. SUMNER (Attorney-General):** I appreciate the indication of support from the Opposition and also the fact that the Hon. Mr Griffin sees some problems.

**The Hon. K.T. Griffin:** It is just a reservation.

**The Hon. C.J. SUMNER:** There is a reservation in respect of the drafting of one of the clauses. However, discussions are going on between the Corporate Affairs Commission and the honourable member to attempt to resolve the difficulties. If those difficulties are not resolved tomorrow, we may have to debate them, but I am hopeful that the matter can be resolved tomorrow afternoon. Accordingly, when the second reading of the Bill is passed and when the Bill is before the Committee, I will move that progress be reported on clause 2 so that the matter can be adjourned until tomorrow to enable the issues raised by the Hon. Mr Griffin to be further inquired into.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

*[Sitting suspended from 11.57 p.m. to 12.35 a.m.]*

## GOVERNMENT FINANCING AUTHORITY BILL

Adjournment debate in Committee. (Resumed on motion)

(Continued from page 178.)

**The Hon. K.L. MILNE:** I seek leave to withdraw my amendment which is presently before the Committee.

Leave granted.

**The Hon. K.L. MILNE:** As requested by the Council when the Committee reported progress and sought leave to sit again, a conference has been held with the Treasurer.

**The Hon. K.T. Griffin:** The Democrats did.

**The Hon. K.L. MILNE:** We were told that the Opposition would be coming.

**The Hon. C.M. Hill:** We waited outside for half an hour.

**The Hon. C.J. Sumner:** The Opposition was invited to attend and did not turn up.

**The CHAIRMAN:** Order!

**The Hon. C.J. Sumner:** The Opposition did not turn up.

**The Hon. C.M. Hill:** I was there and received no invitation to go in.

**The Hon. K.L. MILNE:** Well, the Democrats were told about it. Anyway, a discussion was held on the suggestion of the Democrats seeking that five statutory authorities be given the freedom to use the regulations. After discussions with the Treasurer and after a telephone call to S.G.I.C., the Democrats were persuaded that it was only necesary for the two banks to be given this freedom. Therefore, I move:

Page 6, line 15— After "the regulations" insert "and such a direction shall not be given, in any event, to either of the following authorities—

*(a)* The Savings Bank of South Australia;

or

*(b)* the State Bank of South Australia."

**The Hon. K.T. GRIFFIN:** At least that is something, but not much. The spirit of the Opposition's amendment was to encompass the two banks, as well as other statutory authorities. The Hon. Mr Milne's previous amendment would have been better than this revised amendment as it removed from the Treasurer's powers of direction other significant public oriented statutory authorities. The Hon. Mr Milne has indicated that he has come to an arrangement and I suppose that the Opposition has no alternative but to accept it. However, I place on record my disappointment that more careful and deliberate consideration was not given to my the amendment which, I believe, was the best amendment. I support the amendment, but do so reluctantly because I believe that it is quite inadequate to protect from the Treasurer's powers of direction statutory bodies such as E.T.S.A, S.G.I.C., the Housing Trust and the Public Trustee.

**The Hon. C.J. SUMNER:** I appreciate that the Hon. Mr Milne has moved his original proposition in an amended form and has confined the exemption in clause 16 to The Savings Bank of South Australia and the State Bank of South Australia. The Government is prepared to accept the Hon. Mr Milne's amendment. I believe that it is a reasonable amendment. I do not believe that the Hon. Mr Griffin's

remarks were justified. He said that careful consideration had not been given to his amendment.

His amendment was debated and he was not able to convince the Committee that it should pass. In some respects, I find the fuss about this Bill a little surprising in view of the fact that it was more or less the same as the Bill introduced by the previous Government.

**The Hon. K.T. Griffin:** It was not the same in relation to clause 16.

**The Hon. C.J. SUMNER:** It was the same in relation to clause 16. In fact, it was better in that it limited the capacity—

**The Hon. M.B. Cameron:** If it goes bad, we know who to blame.

**The Hon. C.J. SUMNER:** The Leader of the Opposition is quite right. In a democracy that is the way things work. If things do not work to the satisfaction of the people there are ways and means of resolving that at an election, as I suppose the Hon. Mr Cameron now realises.

**The Hon. M.B. Cameron:** They didn't know what you were going to do. You have already broken two promises.

**The Hon. C.J. SUMNER:** The Hon. Mr Cameron is engaging in some puerile interjections.

**The CHAIRMAN:** Order! The Attorney need not go into that.

**The Hon. C.J. SUMNER:** I agree entirely, Mr Chairman, but if the Leader of the Opposition insists on interjecting across the floor I am perfectly willing to respond. However, what he says is of such little significance that it does not require answering.

**The Hon. M.B. Cameron:** You weren't game to answer today.

**THE CHAIRMAN:** Order!

**The Hon. C.J. SUMNER:** The Leader says that I was not game to do something today—

**The Hon. M.B. Cameron:** You will probably not do it tomorrow.

**The Hon. C.J. SUMNER:** I will not do it tomorrow, either, but that is a matter for him to take up tomorrow. This afternoon the Opposition was allowed a debate in quite extraordinary and quite unprecedented circumstances. Normally, a Bill introduced as that Bill was introduced this afternoon is adjourned to allow proper consideration, particularly as all members on this side did not see it until it was tabled. Nevertheless, a debate was allowed and I would have thought that the Hon. Mr Cameron would have been a little more gracious than he is at the present time.

**The CHAIRMAN:** Order! I think that the Attorney is straying from the amendment.

**The Hon. C.J. SUMNER:** I agree entirely, Mr Chairman, but if you contained the Leader of the Opposition, I would have no need to respond to his interjections. I am pleased to see that an agreement has been reached on this amendment, which the Government is prepared to support.

Amendment carried; clause as amended passed.

Clause 17 passed.

Clause 18—'Treasurer may re-arrange finances of semi-government authorities.'

**The Hon. K.L. MILNE:** I move:

Page 7, lines 1 to 7—Leave out paragraph *(c)*.

It was suggested that we should also discuss this clause with the Treasurer. During our discussions we ascertained that no clause like 18 (1) *(c)* existed in similar Bills in those other States that have similar legislation.

We ascertained, also, that this clause is not essential to implement what the Government is trying to do. We believe that it has been conceded that it is dangerous to have the power to change grants to loans, even with the safeguard that appears in subclause (3), and that is why I am moving this amendment to line 7.

**The CHAIRMAN:** The Hon. Mr Milne proposes to leave out subclause (3).

**The Hon. C.M. HILL:** I support the amendment because it goes a long way towards improving this clause. If my amendment, which will immediately follow, is approved by the Committee, then the whole package relating to clause 18 will be vastly improved. Clause *(c)*, which the honourable member is now endeavouring to delete, has some features about it which have caused a great deal of concern to some authorities because it provides that the Treasurer would have the power to convert existing grant moneys to loan moneys and, therefore, apply interest charges and other repayment requirements where these were never anticipated when such grant moneys were given.

**The Hon. C.J. Sumner:** Wasn't this in your Bill? Weren't you in the Cabinet?

**The Hon. C.M. HILL:** This was in the Bill that was under debate previously.

**The Hon. C.J. Sumner:** Didn't you read your Cabinet docket?

**The Hon. C.M. HILL:** I knew that it was there, but the Bill had not passed this Council. I remind the Attorney-General that this is a House of Review. Included in this measure was a proposal that was objected to most strongly by the Housing Trust, as one of the authorities, because there are hundreds of millions of dollars involved over scores of years in grants to the Housing Trust for the provision of housing. As the Bill read, it provided that grant moneys of that kind could be directed to be changed to Loan moneys with all that that implies. That is the reason why I support strongly the proposed deletion.

**The Hon. C.J. Sumner:** What did you say in Cabinet?

**The Hon. C.M. HILL:** Is the Attorney so childish as to ask a former member of Cabinet for details of Cabinet discussions? He knows, as well as I know, and everyone else in the place should know (even new members who have not made their first speech would know), that such matters are confidential. This amendment certainly goes some of the way toward improving the clause. If the other two subclauses of this clause, which cover the other areas, can be improved, then the clause will be vastly different and much better than it is at present. The amendment brought down by the honourable member is satisfactory and I support the deletion of paragraph *(c)*.

**The Hon. C.J. SUMNER:** The Government is prepared to accept the amendment. In discussions between the Hon. Mr Milne, the Premier, the Hon. Mr Gilfillan and I, the Hon. Mr Milne indicated that, if it was found that a power such as this was necessary for the proper functioning of the authority, that matter could be reconsidered at some time in the future. While the Government believes (as indeed the previous Government believed) that clause 18(1)(c) is desirable, it is prepared, in the interests of passing the Bill, and in view of the statements made by the Hon. Mr Milne that he is prepared to reconsider the issue if difficulties arise, to support the amendment at this stage.

Regarding the remarks of the Hon. Mr Hill, I find somewhat surprising the attitude of the Hon. Mr Hill, the Hon. Mr Griffin, and the Hon. Mr Burdett to some aspects of this Bill, because they supported the Bill when they were in Government. Largely, it was their Bill that was introduced. In fact, we introduced this Bill to take account of the criticisms and comments that had been made on the Bill in this Council by honourable members, including the Hon. Mr DeGaris. Those views were taken into account when the Bill was reintroduced, yet we now find that the very Ministers who promoted the Bill in this Council only two months ago are now complaining about some of its provisions. That is a somewhat surprising attitude for them to adopt.

Nevertheless, the Government will not oppose the Hon. Mr Milne's amendment to this clause in view of the statement he has made that he will be prepared to consider the issue if any difficulties arise as a result of this deletion.

Amendment carried.

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

Page 7, after line 7—Insert new subclause as follows:

(1a) The Treasurer shall not make a determination under subsection (1) except as authorised by the regulations.

In reply to the comments of the Attorney, I point out that the Bill was still in the process of being reviewed when Parliament prorogued. The Attorney should know that, from time to time during the course of a Bill's being passed, proposals and suggestions are made to the Government by outside bodies and back-benchers, and any Government—

**The Hon. C.J. Sumner:** But you supported it initially.

**The Hon. C.M. HILL:** Just a moment. Any Government that is worth its salt will take heed of these suggestions, and it should be prepared to make changes if it feels, even at a very late stage of Committee debate, in the second Chamber in which the Bill is being considered, that some improvement can result from amendment.

That will occur in regard to the present Government. Cabinet will approve measures but, in the course of debate in Parliament, some changes can be made. That is proper legislative practice unless, of course, one is hide-bound by the first decision and cannot alter the Bill one iota. The amendment proposes that the provisions under subclauses *(a)* and *(b)* of clause 18 (1) should come before Parliament for review through the machinery of regulations.

Of course, when the amendment was fashioned, it was anticipated that paragraph *(c)*, which we have just deleted, would be included in such a check. Fortunately, that has gone out the window, so I am concerned only with providing some machinery by which semi-government authorities can have the protection of Parliament in case the Treasurer acts in an unreasonable way. I remind honourable members that the clause deals with the rearrangement of finances of a semi-government authority and has nothing to do with the new borrowings or new deposits with which we were dealing when debating clause 16.

We are now dealing with the situation as it applies to existing borrowings that semi-government authorities have made. The clause provides that the Government can make a determination, and those existing borrowings can be altered in such a way that the interest rate can be changed. Payments can be changed. That applied not only to moneys that were borrowed from the Treasurer or from the Crown (and that is the situation in regard to paragraph *(b)*) but also to other borrowings that semi-government authorities have made from sources other than the Treasurer or the Government. That is covered in paragraph *(a)*.

It is quite plain in paragraph *(a)* what the Government is seeking the power to do. Some of the semi-government authorities that have arranged their borrowings with great skill, and where those arrangements are all part of their budgetary situation and financial structure, will suddenly find (if this measure passes through the Parliament) that they can be asked to pay higher interest and higher principal repayments. They are only two examples of what can occur if this measure passes.

My amendment endeavours to provide that, if the authority is to take over the borrowings and liabilities of such a semi-government authority and readjust matters such as interest rates and repayments, those proposals come before Parliament by regulation to be looked at by it. If Parliament has no objection to the new proposals, the regulations would not be disallowed and, of course, the arrangements could continue. I am referring not necessarily to small semi-government authorities but rather to the very big responsible ones.

I refer to the Electricity Trust of South Australia. If the authority started to interfere with its borrowings in that matter (and it is to be given the power to do that under the paragraphs *(a)* and *(b)*), the trust could take very strong objection, but it would have no recourse whatsoever. If the amendment is carried, a further check will prevail. It refers the issue to Parliament so that it can decide whether it is reasonable and proper or whether it is unreasonable and improper. If it is unreasonable, one would hope that at least one of the Houses would disallow the regulation and the authority would re-examine the situation. We would therefore be the backstop to a very large, important and responsible semi-government authority such as the Electricity Trust.

The same situation applies to the Housing Trust, with which I had contact for the past three years. Over its history, the trust has borrowed an immense amount of money, which is still in the course of being repaid. Because of the trust's skill and astuteness, some of that money would have been borrowed at very attractive rates. Because the trust's forward planning and budget situations have been based on that business activity (in which it, as an autonomous trust, should be allowed to arrange its financial dealings), great care should be exercised before any interference is made to those borrowings that have been established.

So, Parliament would be a backstop to them in case this authority acted in a way that was unreasonable from the Housing Trust's point of view, from the Electricity Trust's point of view, or from the point of view of any other trust, and I get down to the smaller operations that could well be included within this legislation. It seems to me very fair and reasonable for that check to be written into the legislation. I would think that the Government, having agreed to the change that was suggested in regard to paragraph (c), ought to give favourable consideration to permitting this check and safety measure to be written into this new and very important legislation; particularly important from the point of view of these very responsible semi-government borrowings.

**The Hon. C.J. SUMNER:** This amendment is not acceptable to the Government. I do not see that there is any need for it. As I indicated previously, this amendment was not in the Bill which was introduced by the Hon. Mr Hill, or at least by his Government. I do not recall in the discussions that occurred in the Council on the previous occasions that there was any suggestion of an amendment of this kind, and I find it a little surprising that now, all of a sudden, the honourable member has thought of it some three months or so after his Government first promoted the Bill in this Council. Nevertheless, if I thought it had merit, I would still be prepared to give it some consideration, but I do not see that there is any fear. The clause has now been amended on the motion of the Hon. Mr Milne to remove the power to convert grants to loans. I believe that the other aspects of clause 18, which give power to re-schedule loans and convert loans to grants, are necessary for the operation of the Bill and should stand. I do not see that there is any need to introduce into clause 18 the power to require a regulation when any of this restructuring or reorganisation is going on.

**The Hon. C.M. HILL:** I ask the Attorney-General to explain the fact that his Government introduced a comparable check through the very machinery, the same machinery of regulation, when it made an altertion to clause 16, even though he believes that such a measure is unnecessary here. If it was thought that it was necessary when the Government changed clause 16, why cannot that same process occur in regard to clause 18?

**The Hon. C.J. SUMNER:** No-one is suggesting that it cannot occur. All that I am suggesting is that I do not think that it is necessary for it to occur in relation to clause 18. In relation to clause 16, it was thought that the blanket power which the Treasurer had in the original Bill to direct a semi-government authority to borrow from the Authority or deposit with the Authority was too broad.

It was thought that a modification of that clause to require the Treasurer to have any such direction authorised by regulation was a containment of the broad power and that it was appropriate for clause 16. But, I do not see that it is necessary in relation to clause 18. I do not say that it could not be done, because obviously it certainly could be done. I merely return to the point that clause 18 has now been substantially amended to take out what was, I understand, the clause which worried most members and which involved the rescheduling of grant moneys to a semi-government authority. That has been clarified and removed from the clause, and I do not consider that there is any need to agree to the Hon. Mr Hill's amendment.

**The Hon. C.M. HILL:** In other words, the Attorney-General is saying that he does not mind if the authority rearranges the existing loans of semi-government authorities and increases interest rates, and so on. That seems to be quite acceptable to the Attorney-General. I am merely trying to include some safety valve so that any action of the kind that I have described can be checked so that the semi-government authorities get a fair deal from the new authority that is proposed in this measure. However, if this safety measure is unacceptable through the machinery of regulations, what would be the Attorney's view if a check was added as an alternative to regulations comparable with that imposed by the new subclause (3), which was added to the Bill by the Government and paragraph *(c)* of which provides:

The Treasurer shall not make a determination in relation to a semi-government authority except as part of an arrangement that he is satisfied is not to the financial disadvantage of the semi-government authority.

Would the Government consider inserting a subclause as a check? After all, I am using the precedent that the Government itself has included in the measure, and that was to apply to paragraph *(c)*, which has now been deleted. Why should not that apply to the subclauses *(a)* and *(b)*, which we are now debating? The Bill would then provide that the power would be given as it stands under subclauses *(a)* and *(b)*, as I have explained, but further in the same Bill there would be a check that the Treasurer was bound within the provisions of the Bill to be satisfied that the semi-government authority involved was not placed at a financial disadvantage as a result of any actions, proposals or directions of the Treasury or the new authority. That would certainly satisfy the semi-government authorities that there is a further overview and further check within the law which could provide a safety measure and be a backstop against any reasonable action that was taken by the authority.

**The Hon. C.J. SUMNER:** I think that the honourable member is getting into the realms of fantasy. It is not really sustainable to think that the Treasurer would reschedule the debts of a semi-government authority to its detriment. Obviously, the rescheduling of the debts under clause 18 would be done in the interests of semi-government authorities in their capacity to deal with the financial problems with which they may be faced at any time.

So, I cannot see any need for the second clause that the honourable member has suggested. It was not in the Bill that the Government introduced three months ago and, quite frankly, I would have though that it was fairly obvious that the Treasurer, whichever Treasurer was involved, would have the best interests of the statutory authorities and the State at heart. After all, statutory authorities for the most part are agents of the State. They are certainly authorities created by legislation and, in most circumstances, are direct agents of the State. So, I cannot really see a Treasurer acting in a way that would be to their detriment. For that reason, I cannot see how either provision would result in detriment to the authority. As I said before, I certainly oppose the amendment, which would include a regulation making power in regard to the rescheduling of debts.

**The Hon. C.M. HILL:** I am not being critical of Treasurers, whichever Government they may serve, but I point out to the Attorney that some boards of semi-government authorities are made up of very highly skilled and competent men and women from many walks of life, many of whom have had considerable business experience. Some members of these boards fear the possibilities that might flow from this Bill. Senior executives within our large, responsible semi-government authorities fear the consequences thereof.

Therefore, I believe that it is the duty of Parliament to put checks and balances on legislation of this kind so that those fears will never come to fruition. That is my concern. I am not being critical of Treasurers, as the Attorney assumes. Treasurers might be acting in good faith, but whether they are acting in the best interests of those semi-government authorities is a matter of opinion, and only time and the consequences of decisions of this nature will prove whether the views of Treasurers are right or astray.

Certainly, considering the question from the point of view of semi-government authorities, they are worried about the consequences of this Bill, and I am simply trying to insert a check that will relieve them of that worry. Ultimately, legislation is far better if Parliament provides a check instead of letting legislation go through willy-nilly. There can be danger, and damage can occur to semi-government authorities, which, until this time in their history, have had quite impeccable records in regard to their financial affairs.

The Committee divided on the amendment:

Ayes (9)—The Hons. J.C. Burdett, M.B. Cameron, L.H. Davis, H.P.K. Dunn, K.T.Griffin, C.M. Hill (teller), Diana Laidlaw, R.I. Lucas, and R.J. Ritson.

Noes (11)—The Hons. Frank Blevins, G.L. Bruce, B.A. Chatterton, J.R. Cornwall, C.W. Creedon, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, C.J. Sumner (teller), and Barbara Wiese.

Majority of 2 for the Noes.

Amendment thus negatived.

**The Hon. K.L. MILNE:** I move:

Page 7—
Lines 1 to 7—Leave out paragraph *(c)*.
Lines 8—Leave out "or *(c)*".
Lines 13 to 16—Leave out subclause (3).
Line 21—Leave out "or *(c)*".

Amendments carried; clause as amended passed.

Remaining clauses (19 to 28) and title passed.

Bill read a third time and passed.

## LICENSING ACT AMENDMENT BILL (No. 3)

Returned from the House of Assembly without amendment.

## ADJOURNMENT

At 1.22 a.m. the Council adjourned until Thursday 16 December at 2.15 p.m.