LEGISLATIVE COUNCIL

Tuesday 22 March 1983

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

PAPERS TABLED

The following papers were laid on the table:

By the Attorney-General (Hon. C.J. Sumner):

Pursuant to Statute—

History Trust of South Australia Act, 1981—General Regulations.

Prisons Act, 1936-1981—Regulations—Payments to Prisoners.

Superannuation Act, 1974-1981—Regulations—Government Cost of Living Contribution.

By the Minister of Agriculture (Hon. B.A. Chatterton):

Pursuant to Statute—

Education Act, 1972-1981—Regulations—Leave to Contest Parliamentary Election.

Further Education Act, 1976-1980—Regulations—Leave to contest Parliamentary Election.

MINISTERIAL STATEMENT: URANIUM MINING

The Hon. B.A. CHATTERTON (Minister of Agriculture): I seek leave to make a statement on behalf of the Minister of Mines and Energy.

Leave granted.

The Hon. B.A. CHATTERTON: Yesterday, Cabinet took a decision not to grant a production licence to Mines Administration Pty Ltd for its project at the Honeymoon uranium deposit. However, the Government has taken steps to ensure that the partners can preserve their interest in the prospect through a retention lease. The decision was taken after an exhaustive examination of the project and consideration of discussions held last Thursday with the Federal Minister for Resources and Energy, Senator Peter Walsh, and the Deputy Prime Minister and Minister for Trade, Mr Bowen.

The basis for Cabinet's decision is four-fold. First, the Government's policy is based on its concern that many of the economic, social, biological, genetic, safety and environmental problems associated with the nuclear industry are unresolved. We believe that the uncritical support of nuclear technology by Governments world-wide has encouraged the nuclear industry to develop before fundamental questions of safety, disposal techniques and effective regulatory and safeguard systems have been tackled and resolved.

Secondly, our responsible position has been endorsed by a wide range of community groups, including the Australian Democrats. The South Australian Government's approach to uranium mining, as well as to the Roxby Downs development, was publicised throughout the community by ourselves, the media and our opponents prior to the last State election. Members opposite will be aware of the endorsement the A.L.P. received at the polls and the mandate we have for our policies. The A.L.P.'s Federal policy, again highlighted during the campaign, was similarly endorsed earlier this month in a massive swing to the A.L.P.

The acceptance of nuclear power as an energy alternative by developing countries has not only presented these countries and the world with a substantial safety and surveillance problem, but has provided many with the option of becoming nuclear weapons States, adding to the dangers of increased armament proliferation. This Government believes that the development of a nuclear weapons capability from civil nuclear programmes is the most distressing feature of nuclear development and one which requires the most urgent and earnest international attention.

Thirdly, our commitment to the public before the last election was that the Roxby Downs multi-mineral project must be allowed to proceed. Since the election we have taken into account the severe recession facing the uranium and nuclear industries world-wide. We believe it is imperative that there should be no impediment to Roxby Downs becoming a viable and economic mine. To achieve this, full backing must be given to the Roxby project. Roxby Downs has the potential to become a major generator of jobs. This is not the case with the Honeymoon project, which the companies themselves describe as a minor resource employing only a handful of people. Claims about an economic bonanza from Honeymoon are absurd, and this is a position supported by the companies.

Fourthly, there is considerable community disquiet about the nature of the *in situ* leaching project proposed for the Honeymoon uranium deposit. *In situ* leaching is essentially an experimental process in Australia and this has been recognised by the joint partners. The partners themselves have argued that they cannot do things which the Australian public will not accept.

The Minister of Mines and Energy referred earlier to discussions in Canberra last week with Senator Walsh and Mr Bowen. As honourable members would be aware, both the Commonwealth and State Governments have specific responsibilities in relation to the mining and export of uranium. It was clear from the discussions that the Honeymoon project did not comply with the Federal Government's policy and, therefore, could not proceed. During the talks, the Minister of Mines and Energy sought and was given assurances that Roxby Downs would be supported. His Federal colleagues also pointed out that advice from their departments indicated that the world uranium market remained in a very poor state and was unlikely to improve significantly for several years.

Doubts were expressed that acceptable contracts could be written while the market remained in its present state of over-supply. Queensland Mines, the operators of Nabarlek, have reduced their workforce because of the market situation and see little improvement for the next four to eight years. Ranger, the other mine currently operating in the Northern Territory, has both unused plant capacity and a considerable proportion of its reserves still not committed to contract.

During recent debate on the Honeymoon issue, much has been said about the likely negative effects on mineral exploration of a decision not to proceed. In the Government's view, that possibility has been overstated. With a Federal Government implementing consistent policies across Australia, there is no reason for a flight of risk capital for exploration from one State to another. Also, as uranium is a mineral which occurs frequently in conjunction with others, the Federal Government policy contains a commitment to consider applications for the export of uranium mined incidentally to the mining of other minerals. This provision will ensure that exploration on South Australia's highly prospective Stuart Shelf can continue.

In coming to its decision, the Government has considered the situation of the Honeymoon joint venturers and the companies involved in the Beverley project. The Honeymoon joint venturers were informed of the Government's decision a short time ago and the Beverley joint venturers are being informed that a production licence will not be available for their project as the policy now stands.

QUESTIONS

URANIUM MINING

The Hon. M.B. CAMERON: I seek leave to make a statement before asking the Attorney-General a question about uranium mining.

Leave granted.

The Hon. M.B. CAMERON: I have just listened to the most extraordinary Ministerial statement that I have ever heard. I guess that one has to be grateful for the fact that the Government has finally made public its refusal to provide a mining licence for the Honeymoon project. This decision will be the cause for great concern to many South Australians. The decision will not just impact on uranium mining in the State, but will also seriously undermine our standing as a reliable and stable place in which to invest. The Government since its election has been deftly weaving a web of deception about its plans for Honeymoon. It has deferred and deferred any announcement about its real intentions to avoid embarrassing political consequences. Now that the Federal election is over, and in conjunction with some work by the Campaign Against Nuclear Energy aimed at undermining the Honeymoon project, the Government has announced its decision. The A.L.P. seems to have developed a new understanding of uranium unknown to the scientific world. It has found that there are three kinds of uranium mine: first, major uranium deposits found before 2 July—that uranium is allright; secondly, uranium found in association with other significant minerals where another mineral is the main component (that is, Roxby Downs)—this appears to be safe, too. However, if you find uranium on its own, after 2 July, these deposits are different and very dangerous and cannot be mined.

The extraordinary part of that is outlined in this Ministerial statement, which bans Honeymoon on the grounds that uranium is a dangerous mineral, yet, and I quote from page 3 of this Ministerial gobbledegook (which is the word which should have been used):

> as uranium is a mineral which occurs frequently in conjunction with others, the Federal Government policy contains a commitment to consider applications for the export of uranium mined incidentally to the mining of other minerals.

This provision, according to this statement, will ensure that exploration of South Australia's highly prospective Stuart Shelf will continue. Can you imagine anyone in their right mind going to the Stuart Shelf, putting their mine down looking for minerals, hoping they do not find uranium, but if they find it with other minerals it will be okay. As a result of the statement today, we will not see uranium conversion in South Australia, which I understand would have led to $500 000 000 of investment; uranium enrichment will surely be under serious question and will possibly disappear—another $1 500 000 000—as well as the investment in Honeymoon and Beverley.

Is the Attorney-General aware that the decision to prevent the mining of uranium at the Honeymoon site will seriously undermine business confidence in this State and restrict long-term investment in South Australia? Is he also aware that such a decision will spell the end of any prospect for uranium conversion or enrichment plants in South Australia and that with this will be the loss of thousands of millions of dollars in investment and hundreds of jobs? I do not care who answers, but I imagine that the Attorney-General, as Leader of the Government, will.

The Hon. C.J. SUMNER: The area of minerals and energy, as the honourable member realises, is a matter for the Minister of Mines and Energy. I do not believe that this decision should have any serious effect on the overall economic position in the State or the state of business confidence in it. It is a refusal to grant a production licence in relation to the Honeymoon deposit. The fact is that the honourable member only last week was casting severe doubts about another developmental project in this State, which he believed would have adverse environmental considerations. That was the coal deposit at Kingston which he thought, if it were developed, would have a most severe and adverse effect on the water table in the South-East.

The Hon. M.B. Cameron: What has that to do with my question?

The Hon. C.J. SUMNER: The honourable member has conceded that there are environmental and safety factors that have to be taken into account when considering development.

The Hon. L.H. Davis: Is that what the Minister of Mines and Energy told you?

The Hon. C.J. SUMNER: I intend to answer the Hon. Mr Cameron's question. I do not believe that the decision will have a significant effect in undermining business confidence. It is a small mine. There are considerable doubts at the moment about the economic viability of uranium mining and the potential markets that may exist for it, as the Ministerial statement indicated. Nevertheless, in general terms A.L.P. policy is predicated on two basic premises: one is a recognition of the fact that there is in Australia at the moment a uranium industry and that mining is proceeding in certain parts of the country; secondly, it also recognises that there are unresolved issues of safety involved in the whole nuclear fuel cycle. Those unresolved issues have been debated in this Chamber at length previously. I do not wish to canvass those issues at length again. Nevertheless, I think that everyone who has thought about the issue recognises that there are unresolved safety issues, whether it be in the nuclear fuel cycle in the area of disposal of nuclear waste, which has not yet been finally resolved, as honourable members know, or whether it is in the area of potential proliferation and nuclear war.

That is still an issue, I would hope, of considerable concern to the Australian community and the international community as well. Not enough has been done by Australia, by Australian Governments up to the present time, to try to resolve those issues. I believe that the A.L.P. policy is conditioned by those two facts: that there is a uranium industry in Australia that is going ahead but that there are unresolved issues and that, until those issues are resolved, there should not be any extension of uranium mining or the nuclear fuel cycle.

As I said, the Honeymoon project is small, and I do not believe that the decision will have an adverse effect on business confidence.

The Hon. M.B. CAMERON: I desire to ask a supplementary question. Will the Attorney-General say whether, in considering its decision on the Honeymoon mining licence, the Government sought legal or any other advice from him as to whether any companies severely disadvantaged by the decision are entitled to compensation payments?

The Hon. C.J. SUMNER: Yes, some discussion has taken place on the legal position. As I recall it, I do not believe that a formal opinion has been obtained. Nevertheless, there were some discussions on legal aspects of the Government's decision, which has been announced today.

MINISTERIAL STATEMENT: DIRECTOR-GENERAL OF EDUCATION

The Hon. B.A. CHATTERTON (Minister of Agriculture): I seek leave to make a statement on behalf of the Minister of Education.

Leave granted.

The Hon. B.A. CHATTERTON: On behalf of the Minister of Education, I advise the Council that he has approved the secondment of the South Australian Director-General of Education, Mr J.R. Steinle, as Senior Adviser to the Commonwealth Schools Commission for a period of three months, with the possibility of an extension. The Schools Commission has been given several new initiatives by the Federal Government and it has asked Mr Steinle to provide advice on these and other matters.

These areas of particular concern will be those associated with schools, youth, the re-establishment of a Curriculum Development Centre, Federal-State relations and the education of Aboriginal children. Mr Steinle will also be required to consult with State Education Departments and non-government systems in these matters. Finally, he will act as resource person in relation to activities nominated by the Chairman of the Commonwealth Schools Commission. In the first instance, this will involve leading a small team within the commission to advise on the development of new programmes and the rationalisation of existing ones.

Mr Steinle will commence work with the Commonwealth Schools Commission shortly after the next meeting of the Australian Education Council, which comprises all Ministers of Education. This is to be held in Canberra, probably in late April. During Mr Steinle's absence, Dr John Mayfield will be the Acting Director-General of Education. The Minister welcomes this opportunity for a senior officer of the South Australian Education Department to advise the Commonwealth Schools Commission for two reasons: first, because it reflects the high regard in which South Australian education is held nationally and, secondly, because it is appropriate that a body such as the Commonwealth Schools Commission, which is responsible for advising the Federal Government on national goals and priorities, should recognise the need for advice from the States and draw upon their skills and experience. I am confident that this represents one further step in bringing Federal and State initiatives closer together in the interest of all Australian children.

QUESTIONS RESUMED

BUSHFIRES

The Hon. FRANK BLEVINS: I seek leave to make a brief explanation before asking the Minister of Agriculture a question about aid to primary producers who were victims of the recent bushfires.

Leave granted.

The Hon. FRANK BLEVINS: I noticed in this morning's *Advertiser,* under the rather alarming headline 'Governments refuse fire aid to renew fire assets', a statement by the Rural Affairs Editor, Jim McCarter. To explain my question, I refer to the first two paragraphs of the article, as follows:

> Neither Federal nor State Government will make any money available to bushfire victims specifically to fund the replacement of farm assets lost in the Ash Wednesday fires.
>
> The Minister of Agriculture, Mr Chatterton, said yesterday that instead the upper limit for carry-on loans had been extended from $50 000 to $70 000 and provision made to allow use of the funds for asset replacement.

The final words in the second paragraph, 'and provision made to allow use of the funds for asset replacement', indicates, at the very least, a contradiction in the article, certainly in the first two paragraphs.

It may well be that Mr McCarter misunderstands the situation in relation to what funds are available for asset replacement for primary producers. Will the Minister oblige the Council and primary producers in this State by clearing up the matter and stating specifically whether any assistance is available for the replacement of capital assets for those primary producers who were affected by the recent bushfires?

The Hon. B.A. CHATTERTON: The article in today's *Advertiser* is confusing because of its inconsistencies, as pointed out by the Hon. Mr Blevins, and the rather misleading headline, which gives the clear impression that no money is available for the restoration of farm assets. In fact, the opposite is the case because, during discussions held last Friday between the Premier, the Prime Minister and the Premier of Victoria, it was clearly accepted by the Commonwealth that carry-on loans which do not normally allow for the restoration of farm assets should be extended to that area. They accepted that farm assets, such as fencing, shearing sheds and other buildings, could be included within the carry-on loans provisions of the natural disaster arrangements.

The Hon. M.B. Cameron: And stock?

The Hon. B.A. CHATTERTON: Yes. They are also included.

The Hon. M.B. Cameron: At 8 per cent?

The Hon. B.A. CHATTERTON: No, at 4 per cent for seven years. These are carry-on loans available to people affected by drought. Normally, the carry-on provisions are to cover the working capital costs, but that has been extended to cover structures.

The Hon. M.B. Cameron: It's been extended?

The Hon. B.A. CHATTERTON: Yes, it has been extended, which is the point that I am making. We are aware that $70 000, the new limit set last Friday, will not in some cases be adequate, and that is why we sought the inclusion of the definition of 'rural adjustment area', which includes farm improvements. We sought that as an additional measure to assist farmers to restore those assets that were burnt out. Those rural adjustment loans do not have any limit and are assessed on individual applications. The Commonwealth Government is not prepared to agree to that request from the State Government, but did agree to increase to $70 000 the limit for carry-on loans.

We will receive applications from people who have been affected by bushfires and will ask them to put in a complete budget for their properties. Then, if the loan required is greater than $70 000, we will have substantial evidence to return to the Commonwealth Government to seek either an additional extension or the implementation of the provisions of the rural adjustment scheme that we sought originally. Certainly, funds are available for the restoration of assets.

The Hon. M.B. Cameron: Is it still a lender of last resort?

The Hon. B.A. CHATTERTON: The Leader has asked me whether it is still a lender of last resort, but that has not been the case for many years. The criterion that the Department of Agriculture sets is that a person applying for a loan should have exhausted normal sources of credit. The department does not ask those people to go to extreme lengths to obtain funds, but it does expect them to have exhausted those normal sources of credit from which they normally obtain finance for their farming operations. Carry-on loans are provided for the debts in their farming budgets beyond that point.

CENTRAL LINEN SERVICE

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before directing a question to the Minister of Health about the Central Linen Service.

Leave granted.

The Hon. J.C. BURDETT: I asked the Minister a question on this subject last week and, in the course of his reply, he said:

> I expected this question to be asked today and made inquiries late last week as to when this matter was likely to go back to Cabinet. It is my understanding that it will be back next Monday—

that was yesterday—

I understand that Treasury will probably be recommending a variation of the recommendation in the sense that, I think, $3 000 000 was suggested over a period of two years, in terms of capital investment for upgrading, I believe that the recommendation is likely to be that the money be spent over a somewhat longer period, as the Labor Party has a commitment of no retrenchments and there is a balance to be struck between the rate at which the equipment is replaced and the rate of attrition, or the rate at which employees might have to be artificially kept on the pay-roll.

It is important that something very close to one of the five options recommended by the consultants be implemented because they have projected that, if there was no significant upgrading of equipment and if changes in practice including reduction of the staff occurred, it would result in annual losses of more than $300 000 by 1985-86.

The third option was, as the Minister has said, the re-equipment of the service at a cost of $3 000 000, and a reduction in the workforce from 300 employees to 186 employees by mid-1985. I point out that this is achievable because in the past four years the Central Linen Service workforce has declined from 429 employees to its present level of 300 employees without retrenchments. So, this is possible.

It is high time there was an answer. The consultants made their report shortly before the last election, and it came to the notice of the then Minister within a matter of days before the election. However, some months have elapsed and it is high time that a decision was made. Has a decision been made and, if so, what is that decision, in detail?

The Hon. J.R. CORNWALL: The shadow Minister is a real terrier in this area: he does not give up easily. I am very pleased that the honourable member is expressing his continuing interest. Cabinet considered my original submission, but suggested, after an assessment by Treasury, a variation (as I predicted) from the $3 000 000 option that the Touche Ross Report recommended should be spent over two years. Cabinet recommended that this sum be spent over three or four years, because it does not believe that it is necessary to get into that amount of capital funding so rapidly.

Of course, that has proved to be very good advice, because 50 people have left the employment of the Central Linen Service since the Touche Ross Report was written. Therefore, the Hon. Mr Burdett can rest easily that there is not an inordinate number of people on the pay-roll at the Central Linen Service. We are concerned that, after the years of neglect (particularly the past three years of neglect), the group laundry be upgraded at a pace that is consistent with sound and reasonable business management. I now intend to take back to Cabinet a specific series of proposals, certainly within a fortnight. The honourable member should watch for further results to keep me up to the mark and to keep me honest.

The Hon. J.C. Burdett: That is impossible.

The Hon. J.R. CORNWALL: No: that is one of my outstanding qualities, as the honourable member knows. I will certainly take back to Cabinet a more specific proposal. The initial report has gone to Cabinet and has been assessed by Treasury, and within two to three weeks I will certainly put forward a further proposal. As I said the other day, once we have things firmly in place (the programme may well involve changes in the structure of the board of management, for example) and once we have decided precisely how we will re-equip, at what pace, and what changes may be necessary, I will personally go to the group laundry to explain the matter to the employees to ensure that one of the major recommendations of the report, namely, that there be first-class industrial relations, is met.

It has been my experience in the very short time that I have been the Minister of Health that that is particularly important in the health industry generally. It is certainly something that can be achieved, provided that people are sensible and keep talking rather than trying to achieve results by bludgeon. The honourable member can rest assured that in the next few weeks the programme will be well down the road. Virtually, it will involve a combination of options 1 and 2. We will upgrade the group laundry.

VOTING SYSTEM

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Attorney-General a question about the Legislative Council voting system.

Leave granted.

The Hon. K.T. GRIFFIN: Shortly after the 1982 State election, the Attorney-General was reported as saying that he was reviewing the Legislative Council voting system. At that time, I expressed grave concern that the Labor Government might be looking to fiddle with the system, which, except in one minor respect, is identical with the New South Wales system that was introduced by the Wran Government. In fact, it is a fair system. The Attorney-General has been reported again as saying that he is reviewing the system, this time focusing on the informal vote.

In the *Onlooker* column in the *Sunday Mail* last Sunday there were suggestions that the system could be changed again soon. We also see reports that the Federal A.L.P. Government is moving to change the Federal electoral system to, among other things, introduce optional preferential voting. In the light of these reports, what changes is the Attorney-General examining with respect to the Legislative Council voting system? Secondly, does the State Government propose trying to introduce optional preferential voting, or, effectively, first-past-the-post voting in the House of Assembly? Thirdly, what other changes to electoral laws in South Australia is the Attorney-General either considering or proposing?

The Hon. C.J. SUMNER: I am not in a position to say at this stage in specific terms what changes are proposed to the electoral system. It may be that a number of matters of a machinery nature will be part of amendments to the Electoral Act, but there are also important matters of principle that may have to be addressed. Following the last election, I pointed out my concern about the high level of informal voting that occurred in the last Legislative Council election. I should have thought that every member of this Council and every member of this Parliament would be concerned that the level of informality was about 10 per cent: about 80 000 voters voted informally in regard to the last State Legislative Council election. Many of those people voted informally because of the difficulty of the voting system.

Just as many people voted informally in regard to the Senate because of the complexity of the voting system, I am concerned (and I repeat my concern) about that level of informality. I should have thought that everyone in this Council would accept that a problem exists because of the complexity of the voting system in Australia. One option that could be considered is the introduction of the New South Wales system, which was suggested during the debates on the most recent changes to the Legislative Council voting system.

The Hon. K.T. Griffin: The New South Wales system applies. There is only one minor difference.

The Hon. C.J. SUMNER: It does not apply. The New South Wales voting system forces people to vote for only seven candidates and not for 11 candidates, as the honourable member knows. That is the difference. That provision would

increase the informal vote: it would probably increase the informality level of Liberal voters, many of whom marked seven boxes and stopped there, as indicated in the *Sunday Mail* report. I am not suggesting that the level of informality will automatically improve the fate of the Labor Party, but, in democratic terms, this level of informality is undesirable in regard to Upper House elections in this country: 10 per cent, or 80 000 people, voted informally for the Legislative Council at the last State election.

One obvious proposition that could be considered is the New South Wales system. A list system will also be considered, and we have debated that issue in this Council previously. Certainly, that system operated in the first two elections for the Legislative Council after the franchise was extended. I am concerned primarily, in relation to the Upper House, about the level of informal voting, and how we can resolve that difficulty (and I believe that everyone must concede that there are difficulties) is a matter that the Government is considering. There is no formal review: I am carrying out a review of any other suggestions. There will be a suggestion from the Electoral Commissioner regarding certain machinery amendments to the Electoral Act.

The Labor Party is committed to optional preferential voting in the Lower House. The Government believes that that is a desirable reform; it allows a person to vote for one candidate if that is what the person wishes to do. If the person wishes to express a preference, it also allows him to do that without making the vote informal.

The Hon. M.B. Cameron: What about the situation where a person does not want to vote?

The Hon. C.J. SUMNER: Then that person does not have to vote. As all honourable members know, people are required to attend the polling booth and, if they have an objection, they can vote informally. That is quite clear, and many people do it. But, I believe that optional preferential voting is a reasonable reform and is certainly sustainable in principle.

There are other matters of an electoral nature, such as whether or not there should be Party affiliations on ballot papers and whether or not the position of House of Assembly candidates on the ballot paper should be by lot, rather than by alphabetical order—and if I were a House of Assembly member that would go very much against me. I think that the position on the ballot paper is determined by lot in the Upper House and it is fair that in the House of Assembly it also be determined by lot.

They are some of the issues that have been canvassed, and there will be others. In answer to the honourable member's question, the Government and I are concerned about the informal vote, which was twice as high for the Legislative Council during the recent election than it was in the 1979 election.

PENSIONER SPECTACLE SCHEME

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking the Minister of Health a question concerning the pensioner spectacle scheme.

Leave granted.

The Hon. ANNE LEVY: It was reported that Cabinet had approved a review of the pensioner spectacle scheme for the provision of spectacles through metropolitan teaching hospitals introduced last year by the previous Government. Can the Minister inform the Council why a review of the scheme is necessary only a few months after its introduction? Can the Minister also give an assurance to the many people in the community who have benefited or expect to benefit from this scheme that this very valuable service to pensioners will not be discontinued?

The Hon. J.R. CORNWALL: To answer the second question first, as it is extremely important, I give an unqualified assurance the the Government has absolutely no intention of discontinuing the pensioner spectacle service. As to why the review is necessary, this Government inherited a scheme which had been cobbled together in something of a hurry in the pre-election situation. The previous Government negotiated over a long time, but was unable to resolve the demarcation dispute between opthalmologists and optometrists—or between eye doctors and optometrists, if one likes.

This has been an ongoing dispute. The opthalmologists believed that they were in a position where they should do the examination and write the prescriptions, which should then be dispensed by optical dispensers or optical dispensing firms. On the other hand, the optometrists pointed out that, as they held tertiary qualifications to test sight, they should not be excluded from any such scheme and that they also should be involved in actually dispensing the spectacles, not necessarily on their own prescription, but once a prescription had been written, albeit by an opthalmologist or optometrist, and that they should also be involved in writing the prescription.

The scheme was introduced with everybody participating and with a substantial run-down effect on the pensioner spectacle schemes which had existed in the teaching hospitals, particularly at the Royal Adelaide Hospital. At the time of the introduction of the scheme, the previous Minister of Health said that she would set up a committee to review the scheme at the end of six months. This Government decided to let the scheme run for the first six months and then undertake a review. One of the grave difficulties was that the scheme as introduced was open-ended. There is no form of cost containment or any way of keeping a hands-on situation until such time as all the returns are in on a half-yearly or yearly basis, at which point it will become obvious whether or not there has been a gross overrun. The real problem is that it is open-ended.

The Hon. K.T. Griffin interjecting:

The Hon. J.R. CORNWALL: I know that the honourable member was trying to run the previous Government by proxy and that he kept a very close eye on the Minister of Health of the day. But, the scheme is open-ended and that is the big problem.

The Hon. K.T. Griffin: Not in respect of each pensioner.

The Hon. J.R. CORNWALL: It is open-ended in the sense that pensioners, if they are so inclined and if they hold a pensioner health benefits card, can do the rounds of every opthalmologist and optometrist in town. There is nothing to stop them from doing that until such time as the records are processed centrally. If somebody is grossly abusing the system that will eventually be picked up.

The Government wants to devise a scheme whereby eye refraction and examination and spectacle dispensing in public hospitals can continue, particularly at the Royal Adelaide Hospital, where I am told it is necessary to have a case load for teaching. Of course, there is a great affection amongst some pensioners for the services at the Royal Adelaide Hospital generally. There is a great affection for the Royal Adelaide Hospital by South Australian—

The Hon. M.B. Cameron: What do you mean by 'case load'.

The Hon. J.R. CORNWALL: To have a minimum number of people going through for post-graduate teaching, as I am told by Dr Colin Moore. In addition, there is an affection by South Australians for the Royal Adelaide Hospital, something that is unique to this State: people love that big place down there on North Terrace. Many pensioners have come

to me seeking guarantees that the service will not be closed down. I am determined to maintain the service to pensioners. There must be a scheme to contain costs and not cut costs, as was reported last week. That is responsible, and I do not think that any member of Parliament would disagree with it. At the same time the Government is determined to see that the principle of spectacles on the $10 scheme is maintained, as it is a good principle, and provides spectacles for pensioners all over the State who hold a health benefits card. To that extent I am a strong supporter of it.

Cost containment is important, and maintaining a service, particularly at the Royal Adelaide Hospital, is also important. As the Government was running quickly into obvious problems, it decided to bring the review forward by about six weeks. When the end of this financial year is reached the Government will be in a position to make some of the decisions which will be necessary to ensure that both the hospital and private practice schemes are maintained and, at the same time, contain costs to ensure the health and survival of the spectacle scheme generally.

FREEDOM OF INFORMATION LEGISLATION

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Attorney-General a question on freedom of information legislation.

Leave granted.

The Hon. R.I. LUCAS: The Attorney-General might be pleased that I have moved away from his strong points of economics, taxation and uranium mining. Last Tuesday, the Attorney-General referred to the fact that the working party on freedom of information had been revived and that the Government was working towards freedom of information legislation. I am personally heartened to hear that and I look forward to the debate on the legislation in this Chamber. The Attorney will be aware that the Federal Liberal Government enacted legislation in this area, and that the Victorian Labor Government passed freedom of information legislation which will operate from 30 June this year and that until then a code based on the principles of the legislation is operating in the Public Service. He will also be aware that the approach taken by those two Governments—that is, the former Federal Liberal Government and the State Labor Government in Victoria—has differed in some significant areas. The *Age* on 17 December summarised it very briefly by saying that the Victorian legislation was considerably broader in its application. In addition, the new Federal Attorney-General, Senator Gareth Evans, has indicated that there will be amendments to the Federal freedom of information legislation under the new Government. Does the Attorney agree that the successful use of freedom of information legislation in South Australia would be improved by there being some uniformity and compatibility between freedom of information legislation enacted in the State and Federal arenas, which will both be applicable in South Australia? If so, will he undertake discussions with the Federal Attorney-General, Senator Gareth Evans, to ensure the greatest possible uniformity and compatibility in the proposals?

The Hon. C.J. SUMNER: I thank the honourable member for those comments. Yes, I agree in principle that if there can be compatibility between the South Australian and Federal legislation—indeed, if possible, with other freedom of information legislation in Australia—that is highly desirable. Unfortunately, the history of getting uniformity in legislation in Australia is not a particularly happy one, but I agree with him: it is a good idea and I will certainly refer the suggestions he has made to the working party and ask it to liaise with the Federal Attorney-General with a view to achieving, if possible, compatibility between the two sets of legislation.

SEXUAL HARASSMENT

The Hon. DIANA LAIDLAW: Has the Attorney-General an answer to my question of 16 March on the South Australian Consultative Committee Against Sexual Harassment?

The Hon. C.J. SUMNER: Only last Thursday the Hon. Miss Laidlaw asked me a question about the constitution and membership of the South Australian Consultative Committee Against Sexual Harassment. I undertook to obtain for her further information on that subject. The reason my original announcement did not give details of the number of people on the committee, names, and the organisations they represent is that these matters were, and are, still being formally finalised by the Commissioner for Equal Opportunity, Mrs Tiddy, and her working group. However, I can tell the honourable member that the committee will have representatives from the various equal opportunity and women's advisory units which exist within the Government, as well as representatives of employer organisations and trade unions which were specifically mentioned by the honourable member. I understand that the process of finalising the participation on this committee will be completed shortly and, when that has been done, I will be happy to supply a full list of the membership of the Advisory Committee.

The honourable member also asked about funds for research into the question of sexual harassment, and I made the point then about the general scarcity of funds for many desirable projects. However, the formation of the committee is in itself partly an acknowledgment of the fact that Mrs Tiddy has been able to establish from her own sources of information that the problem is, indeed, widespread. I think that the honourable member will be able to see from my summary of the membership of the committee that the members of the committee will be themselves well placed to receive and, through the committee, co-ordinate information about sexual harassment in the workplace.

RIVER MURRAY WATERS AGREEMENT

The Hon. I. GILFILLAN: I seek leave to make a brief statement before asking the Minister representing the Minister of Water Resources a question in relation to the River Murray Waters Agreement.

Leave granted.

The Hon. I. GILFILLAN: As quite obviously, in spite of what is falling on our roofs over South Australia, the problem of water storage is a very real one for South Australia and is an issue that we should not neglect until the next drought affects us, I ask the Minister of Agriculture to refer a question to the Minister of Water Resources. In October last year the then Liberal Government introduced in the House of Assembly a Bill for Parliament to ratify the River Murray Waters Agreement on behalf of this State. Having done that and having made a very convincing argument that the signing of the agreement was urgent, it called the election and the Bill lapsed. Can the Minister inform this Council, first, whether it is the Government's intention to reintroduce a Bill to ratify the River Murray Waters Agreement; secondly, if so, when is that likely to be done; thirdly, will he give the reasons for that decision?

The Hon. B.A. CHATTERTON: My advice is that the Bill was reintroduced on 15 December 1982, that the second reading explanation was given by the Minister of Water Resources on that day, and that it is on page 195 of *Hansard.*

URANIUM MINING

The Hon. L.H. DAVIS: Can the Minister of Agriculture, representing the Minister of Mines and Energy, tell the Chamber of any other country where a consortium of mining companies can spend over $10 000 000 over a 10-year period from discovery, under different Governments, and be then told, 'Thank you for creating jobs and spending your money on exploration but, sorry, now that you have established the viability of uranium mines that we have known about for many years you cannot mine the uranium'?

The Hon. B.A. CHATTERTON: I will refer the honourable member's question to the Minister of Mines and Energy and bring back a reply.

COURT SENTENCE

The Hon. M.B. CAMERON: I seek leave to make a brief explanation before asking the Attorney-General a question about a court sentence.

Leave granted.

The Hon. M.B. CAMERON: Widespread concern has been expressed to me about the leniency of a recent sentence handed down by Justice White in a recent case where a miner was shot and killed at Coober Pedy. The people of Coober Pedy, in particular, are concerned that the suspended sentence, which has been handed down against someone, who in possession of a firearm shot and killed a fellow miner with whom he disputed an opal claim, has given implicit support for the rule of the gun in the opal mining town. In his judgment Justice White said something which alarmed many residents of Coober Pedy in view of the many incidents of violence which have occurred in the area over a number of years. I quote:

> The Crown accepts that you were entitled to hold and point a cocked loaded gun at the deceased in all of the circumstances of danger and trespass. The Crown accepts that throughout the whole time, until the last moment, you were lawfully defending yourself and your land and perhaps indirectly your partner. But you made the mistake of shooting high instead of low when at the end of your tether and in a moment of agony.

This statement seems to have aroused some degree of concern in Coober Pedy, where there have been over a number of years many instances of violence involving guns. While I admit that that short sentence within a statement of a judge may not be consistent with the general feeling of the whole statement, nevertheless it does create an inference that the use of guns is okay.

This has caused great alarm in Coober Pedy, and I believe that the Government must be seen to be taking a firm hand to prevent the recurrence of further instances such as this. It must take every step necessary to make an example of those who flout the law. First, does the Attorney-General intend to appeal against the sentence delivered against Mr Solar? Secondly, if he has not yet considered the matter, will the Attorney consider appealing against the sentence? Thirdly, will the Attorney have discussions with the Minister of Mines and Energy with a view to either amending section 42 of the Mining Act, which relates to mining and prospecting for precious stones, and prohibiting the use of firearms other than by authorised officers, or providing additional constraints on applications for prospecting permits which prohibit the carrying or possession of firearms in specified circumstances? Finally, has the Attorney considered taking whatever action is necessary (if need be, in conjunction with the Minister of Mines and Energy) to ensure that Mr Stojan Solar is immediately removed from, and prohibited from access to, the precious stone fields at Coober Pedy?

The Hon. C.J. SUMNER: First, let me say that I appreciate the expressions of concern that have been made about this matter. The Hon. Mr Cameron made certain representations to me about it, as did the member for Eyre (Mr Gunn) in another place. I offered Mr Gunn a briefing from the Prosecutions Section of the Crown Law Office on the circumstances surrounding the matter, and I am certainly willing to make the same facility available to the Hon. Mr Cameron should he have any questions in relation to it. Also, I should point out that I received representations from Mrs Anisimoff and discussed the matter with her.

Also, I took the opportunity of discussing it with the Crown Prosecutor. I do not believe that it is proper for me or anyone else to speculate about the facts of the matter at this moment. As there is still a period of time within which an appeal can be lodged, the matter is still *sub judice*. I do not believe that any useful purpose would be served by speculation about the matter at this time. Suffice it to say, I have asked the Crown Prosecutor, Mr Martin, for a report on the sentence and the sentencing remarks of Mr Justice White. I understand that a full transcript of the sentencing remarks was received yesterday at his office, that he is considering them, and that he will provide me with a report in the near future. In answer to the honourable member's question, I can say that at this stage no decision has been taken in relation to an appeal, and will not be taken until I receive Mr Martin's report. However, I expect that to be received in the near future, and I will then advise the Council and the public of what action I intend to take. I will consider the representations that have been made and the issues raised by the Hon. Mr Cameron.

He raised two other questions which relate more specifically to the Coober Pedy opal fields: whether any amendment is necessary to the legislation, and the question of the individual involved in this case. Those matters will be taken into consideration by me at the appropriate time. Certainly, I will obtain information for the honourable member on those two issues, and I will advise the Council when I am able of any further decision that has been made.

RIMMINGTON REPORT

The Hon. M.S. FELEPPA: I seek leave to make a brief explanation before asking the Attorney-General a question about the Rimmington Report.

Leave granted.

The Hon. M.S. FELEPPA: In reply to my last question on this matter, the Hon. C.M. Hill, the then Minister Assisting the then Premier in Ethnic Affairs, reported on 13 October, as follows:

> The Public Service Board has received the report and referred it to the Equal Opportunities Advisory Panel for advice concerning the development of policy and programmes that are appropriate in the light of the report. It is the board's intention that the report will be generally released following consideration and recommendations from the Equal Opportunities Advisory Panel.

In view of that information, can the Attorney-General confirm whether the Equal Opportunities Advisory Panel has made its recommendations? If it has, why has there been such a long delay in considering that report, which seems to be straightforward and very relevant? Finally, will the Attorney indicate whether the report will be released and what is the Government's response?

The Hon. C.J. SUMNER: The Equal Opportunities Advisory Panel has made some comments on the so-called Rimmington Report, which was a report prepared as a result of the inquiry established in 1979 by the Labor Government at that time into the ethnic composition of the Public Service. Recently, I received comments from officers of the Ethnic Affairs Commission on the report and the recommendations for action from the Equal Opportunities Advi-

sory Panel, and I hope to consider those within the next couple of weeks. The Government is committed to making the report public and, at the time of doing that, it will indicate what action it intends to take in relation to the recommendations contained in the report.

INSULIN SYRINGES

The Hon. R.J. RITSON: I seek leave to make a brief explanation before asking the Minister of Health a question about insulin syringes.

Leave granted.

The Hon. R.J. RITSON: Some time ago I raised in this Chamber the question of the provision of insulin syringes as a medical benefit item for diabetics who are unable at present to gain any cover for this item, no matter how much money they spend on health insurance. I am sure that this subject is dear to the heart of the Minister, as no doubt when he was in Opposition he would have received representations from constituents on this subject just as other members of Parliament have.

The answer that I received to my question at that time was that the State Government was to have discussions with the Federal Government to see whether the syringes could be made available as an item on the N.H.S. prescribing benefits list. Does the Minister intend to continue such overtures, or does he have other plans to provide this benefit for diabetics? Does the Minister envisage after the introduction of the Federal Medicare system the provision of such syringes by the Federal Government?

The Hon. J.R. CORNWALL: I will take up the matter further with my new Federal colleague and friend Dr Blewett. It is most unfortunate that the syringes are not available on the N.H.S. list. The honourable member would be aware that one can obtain them in South Australia from public hospitals. That is a Health Commission arrangement. In non-metropolitan areas one can obtain them from what are now called 'community pharmacists', who are commonly known as family chemists.

I do not think that Medicare will have any impact on this, one way or the other. It is a question of deciding whether or not they should be included in the N.H.S. list. I will be going to Canberra in the near future and I will take up this matter along with many others.

ADDRESS IN REPLY

Adjourned debate on motion for adoption.

(Continued from 17 March. Page 446.)

The Hon. R.I. LUCAS: As one of four new members in this Chamber (if one can still use the word 'new' after four months) I am pleased to be able to support the motion for the adoption of the Address in Reply. At the outset, I would like to thank honourable members from both sides of the Council for the friendship and consideration they have shown me in my short time in this Chamber. Before addressing the major topic of my Address in Reply speech, I would like to refer briefly to a subject raised in the speech by the Hon. Mr Feleppa. He referred to the fact that the multi-cultural composition of our society was not reflected in our social and, especially, political structures—a fact that no member could dispute. He went on to say that he was the only member in this Chamber who could trace his immediate background to an ethnic group other than an Anglo-Saxon one.

I am sure that the Hon. Mr Feleppa will be pleased to learn that he is no longer alone in this Chamber. I am, within the strict definition of the word, an ethnic, as I was born 29 years ago in a small town called Kure on the southern edge of Honshu, which is the main island of Japan. I only spent the first six months of my life in Japan, so my memories are somewhat limited. I do not intend to expand on this topic at this stage, suffice to say though that I am well aware of some of the problems that migrants have in being accepted into the Australian way of life. In a lighter vein, I repeat to members the very wise words of one of my friends after my preselection, as follows:

> In this age of tokenism you will be the ultimate token—a Japanese born Catholic.

He was convinced that the Japanese Catholic vote in South Australia would swing significantly to the Liberal Party. The election results of November 1982 appear to indicate that it was not quite enough.

I now turn to the subject of my address—constitutional reform in relation to the Parliament and Executive, and in particular the powers and operation of the Legislative Council. In the past 12 months the Liberal Party has managed to lose government nationally and in three States—South Australia, Western Australia and Victoria. These losses signal significant warning signs for the Liberal Party which, if not heeded, will be to its cost. I do not believe that the Liberal Party needs to reappraise its basic philosophy and principles as some commentators have suggested. I believe they are as relevant today as they have been through the ages. The political vultures of this world will be sadly disappointed if they are expecting to pick over the carcass of the Liberal Party. However, the Liberal Party does need to revise the application of its philosophy through its policies and its marketing of these policies to ensure that they are relevant and appropriate to the task of winning government and then ensuring good government. I believe that this process of reappraisal must include a comprehensive review of the operations of the Executive, Parliament and in particular the Legislative Council.

All members will be aware of the cynical view most people have of politicians and the political process. In fact, market research conducted nationally about two or three years ago listed over 100 occupations and asked people to rank them according to status. Politicians were ranked together with used car salesmen at the bottom of the list. The cynic has been described as a blackguard whose faulty vision sees things as they really are, not as they ought to be. A very perceptive description! When one considers the cynical way in which political leaders have sought to gain extra three-year terms by manipulating election dates and springing early elections, then it should not be much of a surprise. In the last 10 years we have had seven short-term Parliaments. Federally, we have had the Liberal Party springing early elections in 1977 and 1983 and on the State scene the Labor Party having early elections in 1975, 1977 and 1979. In addition, there were early elections federally in 1974 and 1975. I will refer to that subject later.

The need for fixed terms for Parliament with some limited exceptions is quite evident. In that way Governments and electors alike would know that on, say, the second Saturday in March every three years there would be a State election and on, say, the second Saturday in November every three years there would be a Federal election. There would be many advantages to such a change. It would create a stable political environment in which Governments could plan and execute policy with an eye to the long-term effects as well as the short-term effects. It would enable better and more efficient government. Hopefully, it would encourage Governments to take unpopular decisions which should be taken in the public interest. In addition, it might encourage

an extra 12 months responsible economic decision making in each three-year term, as there would be no incentive for the Government's second Budget and economic policies to be framed around the possibility of springing an early election for partisan political advantage.

Having worked within a Party organisation for nine years, I am well aware of the effect that the prospect of an election can have on responsible decision making. Policy decisions tend to be judged on the basis of electoral advantage rather than what is right for the State or the nation. Any change which would extend the period of responsible decision making must be considered closely. Fixed terms could also encourage more responsible policy formulation by Opposition Parties, as they would not need to have electoral ammunition available at all times in the event of snap elections. They would have at least a two-year period in which to formulate their policies prior to public presentation in the lead up to the election. Needless to say, it could not ensure responsible policy formulation by Oppositions as that will always be determined by the responsibility or irresponsibility of the Parties and their Leaders. Other obvious advantages of fixed terms would be fewer elections and reduced expense and inconvenience to the electorate. If we had had fixed terms in Australia and South Australia over the past 10 years, then instead of 11 general State and Federal elections, we would only have needed eight elections. I am sure any Party that offers three less elections in 10 years will be received warmly by voters.

One less obvious advantage will be the fact that Legislative Councillors will have fixed terms of two Parliaments or six years rather than possibly terms of three Parliaments or nearly nine years. Under the present Constitution, a Legislative Councillor could experience three separate Governments before needing to face the electorate again. I wonder at the advisability of such a situation. As I indicated earlier, there should be a limited number of exceptions to the fixed term rule. The first would be if the Government lost the confidence of the Lower House through the successful passage of a formal motion of no-confidence in the Government. Senator Gareth Evans, the present Commonwealth Attorney-General, in the second reading speech of his Constitution Alteration (Fixed Term Parliaments) Bill has given an excellent explanation of this particular exception. He suggests that, if after the passage of the no-confidence motion there is no further resolution passed by the Lower House within seven days expressing confidence in an alternative Government, there should be an early election.

It should be noted that if recent history is any guide then this exception would be rarely used. However, if it was to occur, then how is the election cycle going to be restored? The Evans solution is that, subject to a three-month time band before the due date, the incoming Government should only serve what was left of the term of its predecessor. Such a provision would be a powerful disincentive for any Government to organise its own technical no-confidence motion to enable a snap election. Whether the Evans solution would be appropriate in South Australia would need to be considered more closely.

The second exception would be in the case of a sustained deadlock between the Houses of Parliament which the Government chose to break by advising a double dissolution under the present provisions of the Constitution. Consideration of fixed terms for Parliament is closely tied to the vexed question of the powers of the Legislative Council to reject Government legislation and, in particular, Supply and Appropriation Bills. I do not believe that we, in this Chamber, should have the right to refuse Supply to a Government, no matter how reprehensible it might be, and force that Government to an early election. It is not a power that is essential to this Chamber's potential real role as a House of Review of legislation and as a powerful investigatory House.

I can only agree with the words of Senator Allen Missen, who said in the Senate on 25 March 1982:

> It is a weapon altogether too potent and destructive, a blunt instrument which may be used at any time by the politically ambitious...

The 1982 Report of the Royal Commission into the Tasmanian Constitution stated:

> We are of the view that the existence of this power has done more to create tensions and ill feeling between the Houses than any other aspect of the Constitution and that the case for the removal of the power far outweighs any arguments for its retention.

These are only two quotes from a growing number of respected people and bodies who believe that the power to refuse Supply should not remain with the Upper Houses. So, it is nonsense to suggest that the only people who believe in removing this power are red-ragging members of the A.L.P. hell bent on abolishing all Upper Houses.

Members might be interested to know the progress that has been made with this debate in the last 125 years in South Australia. In 1856 the Constitution of the State of South Australia imposed no limitations on the power of the Upper House to amend financial matters. However, by 1857 the Lower House was insisting that in financial matters the relationship with the Legislative Council should be the same as that between the Lords and Commons—that is, no power to reject. The Legislative Council naturally objected and the agreement finally reached became known as the Compact of 1857, with the Council retaining most of its powers and compromising only to a certain extent in relation to suggested amendments. So, the players may have changed but the game remains the same.

What then are the reasons usually given for the retention of the power? The usual response given is that it is needed to remove 'corrupt' or 'evil' Governments. However, there is no objective judgment of corrupt or evil or even reprehensible. By the very nature of politics it must be a subjective judgment, and therein lies the guarantee for conflict and controversy. A subjective judgment relies on the collective good sense and goodwill of a group of politicians—some cynics would suggest an impossibility. The critical factor in the whole discussion is that the powers of the Constitution cannot be drafted on the basis that all politicians are responsible and able (as in this Chamber!) but it must make allowance for the fact that some politicians might be irresponsible and opportunistic. The other reason commonly given is that the power has never been used in South Australia and never will be used, so there is no need to invite controversy by attempting to change it. The only response needed to that argument is that it was probably the same argument used in the Senate prior to 1974 and 1975.

Whilst it is easy to say that the Legislative Council should not have the power to reject Supply, there is in fact much debate about how it can be achieved and what the Council's powers ought to be in relation to money matters. For my part, I believe that the Council should have the power to defer passage and suggest amendments for a period of four to six weeks and if not passed in that time it should be subject to Royal Assent. The question remains as to which money Bills the Council ought to be able to reject. The definition of money Bill in section 60 (4) of the Constitution states:

> ... a Bill for appropriating revenue or other public money, or for dealing with taxation, or for raising or guaranteeing any loan, or for providing for the repayment of any loan.

In my view it would be unacceptable to remove the Council's power to reject all such money Bills because of the extremely wide definition of such Bills. For example, on that definition

a Bill that provided for the raising or guaranteeing of a loan for the Honeymoon producers or the Trades and Labor Council could not be rejected—clearly an unacceptable situation. That is why the limitation on the Council's power should be restricted to only those money Bills on which the survival of the Government depends—the usual Appropriation and Supply Bills as well as any taxation Bills which are related to the Appropriation and Supply Bills. It would not help matters if the Council had to pass the Budget Bills, which might be dependent on increased taxation, but could then defeat those related taxation Bills.

A further question for the constitutional lawyers to ponder would be the age-old problem of 'tacking'—that is, the inclusion in such a Bill of extraneous matters to ensure its passage through the Council because of the Council's inability to reject Supply or Appropriation Bills. Clearly, any constitutional amendments would need to prevent such a loophole. It is important for members to note that this particular constitutional reform could only be achieved after a referendum of all electors in South Australia. There can surely be no opposition to allowing the people to decide on such a controversial issue. I would hope that we could achieve bipartisan support for this reform to ensure its passage. In relation to the general power of the Council to review all other legislation, I will oppose strenuously any attempt to remove the power of rejection and substitute the power of delay only as has been suggested by some members of the Labor Party. Such a change, in our political environment, would emasculate the powers of this Council and not be for the better government of South Australia. The ability to act as a second filter for legislation and subordinate legislation must remain as one important role for the Legislative Council.

I now turn to a consideration of the power relationship between the Parliament and the Executive or the Ministry in contemporary government. Professor Gordon Reid, in his excellent essay 'The changing political framework', said:

> ... the elected Parliament is a weak and weakening institution; that the Executive Government is the principal beneficiary of the Parliament's decline.

And, later:

> ... the House of Representatives—has become the captive of the Executive Government of the day and is now a sadly repressed and debilitated Parliamentary Chamber.

My colleagues in the State and Federal Lower House love that last quote! The Tasmanian Royal Commission also noted:

> ... In modern times executive authority has waxed and Parliamentary power has waned. In real political terms Parliaments have become the captives of Governments.

It is a sad state to be in when one could ask whether the introduction of automation in the Parliament could dispense with the need for the back-bench member. A cynic might suggest that robots in Parliament could vote yes or no on direction as efficiently as back-benchers. Yet they would cost less, would not interject, and would not need superannuation payouts. At least in the Legislative Council alternatives are available, if implemented, to ensure that the back-benchers can regain a valued role in the Parliamentary process. I am not so sure in regard to the Lower House. The Lower House, more often than not, merely records the decisions made in the Party room. The Party room more often than not merely records the decisions made by the Executive.

It is interesting to note that our system of Parliamentary Government could ensure the passage of legislation in the House of Assembly if it was originally supported by only 10 people and opposed by the other 37 members. For example, the support of only seven Ministers is required to ensure passage of a measure in the Cabinet. The doctrine of collective Cabinet responsibility will ensure the support of the 10 Ministers in the Lower House Party room, so with the support of three back-benchers (possibly aspiring Ministers!), the measure would pass the Party room and then the Lower House. Yet the Bill might have had the support of only seven Ministers and three back-benchers. It is an indication of one of the advantages a large Ministry has in a small Parliament like South Australia.

Not solely for this reason but also in the interests of smaller and more efficient government I would hope that the Liberal Party will work towards a reduction in the number of Ministers from 13 to 10. If Tasmania can conduct its affairs with only eight Ministers, South Australia ought to be able to survive with 10. The question still remains as to what has caused the Executive dominance of our Parliaments and then what can be done to restore the concept of responsible Government—that is, the Executive being responsible to the Parliament and the Parliament being responsible to the people.

As I mentioned earlier, the strength of Party discipline is one reason why the Ministry dominates the Lower House to such a degree that it is almost politically impotent. The second major reason is the fact that more is expected of government these days. The tentacles of big government poke into almost every facet of our life. We are passing more and more legislation each year and it is becoming more and more extensive.

It is interesting to note that in South Australia for the past 10 years we have averaged 104 Acts a year, with a record of 132 Acts in 1974. Even more interesting is the fact that the Liberal Government averaged 111 Acts a year for the past three years. In addition, the average for our Federal Parliament was 168 Acts per year. This record, while not directly comparable, should be compared with an average of 74 Acts for the British Parliament and 48 Acts for the Canadian Paraliament.

The area of Executive and administrative discretion has also been considerably widened. In effect, as Professor Reid notes, the Parliament has delegated its legislative power to Ministers and public servants. This has then resulted in the massive growth in power and influence of the bureaucracy and of statutory authorities.

How then can the Parliament get back into the ball game? Clearly the Lower House will never be able to place an effective restraining role on the Executive. The public perception of a Government which consistently had its legislation altered in the Lower House would be that it had lost control of the House and was on its death bed. The responsibility for the reassertion of the role of the Parliament, therefore, lies with the revitalisation of the Legislative Council.

The Legislative Council needs to become an effective House of Review. Its review function must cover two broad areas. The first is clearly the area of review of legislation and subordinate legislation—an area where the Council can claim some degree of success. The second is the effective scrutiny of the Executive, the administration and statutory authorities—an area where the Council can claim no success.

Before considering these functions in detail, it is necessary to question whether the Legislative Council can ever be an effective House of Review of the operations of the Executive when there are members of that Executive in the supposed House of Review—that is, should there be Ministers in the Legislative Council? Without wishing to be provocative to the honourable Ministers (Messrs Sumner, Cornwall and Chatterton), I believe that the only logical answer to that question must be 'No'. Senator David Hamer, in a brilliant analogy, likened Ministers in the Upper House to Trojan horses. With slight adaptation, I quote:

The three members are, in effect, three Trojan horses in the Legislative Council on behalf of the Executive. Of course the Ministers are charming people, but the Trojans thought their horse was charming too—and look what happened to them. It is inconceivable that the Legislative Council could act as an effective House of Review while three of its most distinguished members are devoted to getting Government legislation through with a minimum of fuss, a minimum of alteration and a minimum of delay. There is an inherent and insoluble conflict of interest in this.

Of course, the Ministers in the Legislative Council are not the end of the problem. There remain all those members who are not, but would like to be, Ministers. This combination of Ministers and aspiring Ministers is a fearsome hurdle to clear for an effective House of Review. The lure of future Ministerial office is a powerful incentive for any back-bencher to 'toe the line'.

Whenever this question of removal of Ministers from the Upper House is raised, I have found that three common arguments are put forward. The first is that there are not enough talented members in the Lower House from whom to elect 13 Ministers. I might add that that argument is not mentioned by members of the Lower House. There is possibly a grain of truth in this argument; however, if there were to be only 10 Ministers, to be selected from what in my view will be an inevitably larger House of Assembly, then I cannot accept that this argument has any substance. If it did, then there must be something drastically wrong with the Parties' pre-selection systems.

The second argument is the matter of Question Time. If there are no Ministers, how can the Upper House effectively question the Executive? I believe that most members would agree that the present system of Question Time in this Council is far from satisfactory if viewed in the light of one's being able to question effectively the Executive. Without wishing to be overly critical of the Leader of the Government in this Council, I believe that any questions from members which concern the not unimportant areas of the State Budget, Ramsay Trust, Enterprise Fund, new taxation measures or, basically, anything concerned with economics or finances are less than satisfactorily answered—if answered at all. It is a specific example of a general problem—in essence, the Upper House is severely restricted at present in its ability to question the activities of 10 of the 13 Ministers.

I believe that we should consider the Question Time procedure used by the House of Lords where Ministers would appear in the Upper House on a roster basis. In that way the Council would be able to question all Ministers rather than just the present three. Members interested in the State economy or the State Budget might then give the harried Mr Sumner a little rest.

The third argument for Ministers in the Upper House is that the views of the Government need to be presented to the Upper House. I have some doubts as to the validity of that argument. However, I concede that there might be some argument for the Leader of the Government in the Council to be a member of the Cabinet. However, he would not have any departmental responsibilities.

I now return to the question of how the Legislative Council can become an effective House of Review. The major factor must be a comprehensive standing committee system of the Council.

I am aware that a number of members of the Legislative Council have advocated an expanded committee system in the past, and I am also aware that we are no closer to that goal. I hope that members of this Council will be prepared to support the establishment of a select committee of the Council to examine the possibility of developing an expanded committee system in the Council. It is a matter that I will certainly be raising with my colleagues, and I hope that we will have the opportunity of discussing the matter in this Chamber. The obvious advantage of the committee as a body is that it gets away from the confrontational atmosphere of the Council Chamber, where rigid Party attitudes tend to dominate. Rather, it encourages, dare I say it, consensus.

Another advantage of the committee system would be that it could continue working even when Parliament was not sitting. It would mean that the House of Review would not have to wait for a decision of the Executive to call Parliament together before it could review the operations of the Executive. When one considers that by 30 June this year the Legislative Council will have been sitting for only 22 days out of about 230 days of this Government, then such an advantage would be significant.

What then would be the functions of an expanded committee system? There are many possible functions, but I will list only a few possibilities. First, there should be a standing committee to which Government legislation could be referred for examination and report. Ideally this should be for all legislation. However, whether or not that would be feasible would have to be investigated. It may well be that only significant or controversial Bills would be forwarded to the standing committees. A standing committee would then hear public evidence on the Bill. There is a great deal of expertise available in the community, and it certainly is not true that public servants have a monopoly on knowledge. As Senator David Hamer notes:

The idea that legislation as produced by public servants and accepted or modified by the Cabinet should be sacrosanct is utter nonsense.

The second function for the committees should be to enable Parliamentary oversight of the Budget Bills and, in particular, the forward estimation of expenditure of departments. The hearings should be public and the responsible Minister, as well as the appropriate public servants, should be available for questioning, as with the Senate estimates committee.

The third function should be to enable Parliamentary oversight of the operations of the many statutory authorities that exist in South Australia. The fourth function should enable examination of major new areas of policy. The fifth function should enable continuation of the present scrutiny of subordinate legislation. As I said, the list of possible functions is almost endless.

One major limitation on the implementation of such a committee system (other than opposition from the Executive) is the small size of the Legislative Council. For example, the Senate with 64 members has eight legislative and general purpose committees, eight estimates committees and a number of specialist committees. The Legislative Council in South Australia cannot hope to match that. However, the ideal situation would be for the whole range of Government activity to be covered by a range of standing committees. If Ministers were removed we could have four committees of five members each. If Ministers remain we could have either four committees of four members each or three committees of six members each. The question remains whether the breadth of coverage needed for three or four committees would be so much as to make the operations of the committee unmanageable. That sort of question cannot be answered until it has been thoroughly examined.

Whatever the number of committees, it would appear that they would have to be legislative; general purpose and estimates committees, that is, they would be able to consider all matters within the portfolio covered by the committee. The other alternative method for having an expanded committee system would be not to attempt to cover the whole range of Government activity, but rather to specialise in certain key areas, for example, one legislation committee to which all Bills that needed further examination would be referred. Perhaps there should be one committee, similar to

the Senate Finance and Government Operations Committee, which would include responsibility for oversight of statutory authorities and perhaps another committee to concentrate on law reform procedure.

If this system of standing committees developed as it should, then the position of chairman of these committees should be upgraded in status. The chairmen should become at least as powerful and important as Cabinet Ministers. This, of course, is the situation in the United States Senate. In this way outstanding members of the Council could be rewarded by the Council with a chairmanship position, rather than the present situation where they are rewarded with a Ministerial position.

I believe that the opportunities for an effective committee system in this Council are limitless. I repeat that I hope we can, in a bipartisan way, possibly through a select committee, examine the possibilities of introducing such a change to the operation of this Council. I believe that the Liberal Party is presently losing the 'battle of the minds' in one very important section of the community—the young. That need not be so and should not be so.

Whilst there are many reasons for this situation, I believe that one important reason is that the Liberal Party has gained a reputation for not being 'fair' in the electoral and constitutional areas. For example, it is generally the Liberal Party that has attracted criticisms of gerrymanders or malapportionment of electoral boundaries; it is generally the Liberal Party that has attracted criticism for calling early elections; and it is only the Liberal Party that has attracted criticism for refusing supply to elected Governments. I believe that the young people of today are more responsive to actions of fairness than are most other sections of the community. It is not altogether fair that the Liberal Party should be singled out for the bulk of the criticism, particularly in relation to the calling of early elections. As I said earlier, the Labor Party in this State was responsible for three early elections in 1975, 1977 and 1979. Nevertheless, in politics we deal with public perceptions, no matter how accurate those perceptions might be.

As with electoral boundary reforms, the Liberal Party is lagging behind the A.L.P. in reforms for fixed-term Parliaments and the prevention of blocking of supply by Upper Houses. If we consider the basic philosophy and principles of the Liberal Party as espoused in its platform, there is no impediment at all to any of the reforms that I have mentioned. In fact, basic Liberal principles of fairness and equality of opportunity for all would be strongly supportive of such reforms. Thus, the only hindrance to support for such reforms is the attitudes in the various Parliamentary Party rooms.

I believe that the Liberal Party has a liberal philosophy and not a conservative philosophy. Its policies, particularly in respect of these reforms, should reflect that fact. I hope that the Liberal Party will see the merit in these reforms and enable a bipartisan approach to be presented to the electorate. I do not expect that all my views will be accepted by all members of this Council or even members on this side of the Chamber, as no one member has a monopoly on wisdom. Nevertheless, if we are to check the concentration of power in the Executive, if we are to improve the quality of legislation and subordinate legislation passed by Parliament, if we are to check the rampant growth of the bureaucracy and statutory authorities and if we are going to ensure that the back-bencher is a valued and integral part of the Parliamentary process, we must all work together to ensure that the Parliament becomes the respected and effective institution that it ought to be. I support the motion.

The Hon. K.T. GRIFFIN: I thank his Excellency, the Governor, for his address on the occasion of the opening of Parliament, and I take this opportunity to reaffirm my allegiance to Her Majesty the Queen. I offer my congratulations to those new members who were elected at the State election in November 1982. Also, I express my best wishes to those who were members of the Legislative Council prior to November 1982 but who, for reasons of retirement or failure to gain re-election, did not return as members of the Legislative Council.

The election of the Hawke Labor Government in Canberra and the fact of four State Labor Governments raises serious questions about the direction of federalism in Australia. Two recent announcements by Mr Hawke with respect to intervention in areas of State responsibility—namely, the Franklin dam in Tasmania and Aboriginal land rights in Queensland—make it even more important to understand fully the constitutional consequences of intervention for the future of all the States of Australia and their people. In referring to 'the future', it is imperative to recognise that intervention, if finally upheld by the High Court, will change the whole constitutional structure of Australia in the next decade. Some may charge that that assertion is dramatic and 'can't happen here', so I want to draw attention to the possibilities in a practical, legal and constitutional context.

The new Federal Labor Government has, as its Leader, a man who has no commitment to federalism—in fact, quite the opposite. In his Boyer lectures in 1979 Mr Hawke asserted that the States should be eliminated. He based this assertion on his assessment of the origins of Federation, difficulties for the Federal Government in economic management, and other alleged problems with six State and one Commonwealth jurisdictions. Now is not the time to make a detailed analysis of those reasons. Suffice it to say that I and many Australians dispute vigorously the bases upon which Mr Hawke now regards the federal system as irrelevant. Rather, I regard it, though it may have faults, as a check or balance to the absolute power of the Commonwealth Government. In his Boyer lectures, Mr Hawke says, after giving his analysis of the way the Federation works:

> I believe the logical implication of this analysis is that Australians would be better served by the elimination of the second tier of government—that is the States—which no longer serve their original purpose and act as a positive impediment to achieving good government in our current community. This would give us, like the great majority of other countries, one Parliament with powers available to the Government to match the responsibilities upon it in protecting and advancing the interests of Australian citizens.

He goes on to argue for strengthening of the third tier—local government—

> ...so that in relatively demarced geographical areas people could participate in the decision-making process on issues appropriate to be decided at that level.

I have no quarrel with the desire to strengthen local government, but to make it a substitute for State Governments in a regional context must be rejected. That was the way that Mr Whitlam was moving—emasculation or removal of State Governments with their constitutional powers, responsibilities and rights, transferring responsibilities to a local or regional government acting on tasks given to it by the national Government on issues more of a community or social welfare and community development orientation.

What Mr Hawke denies is Australia's history, and, although the Federation may be ridiculed by some as no longer relevant to modern society, that proposition will find little support when citizens of South Australia are questioned about their views on government from Canberra elected by the majority of Australians 1 000 kilometres away on the eastern seaboard. It can hardly be said that in the national context the Confederation of Canada, the Federation of the United States of America, the Federal Republic of West Germany, or the Swiss experience are now irrelevant to modern needs and ought to be abolished in favour of one

national Government. Such a conclusion would fly in the face of reality.

Although it is correct to say that there is no uniformity in the educational system, or that there are differences between the road traffic laws of the States, or differences in the requirements on business between the States, the system envisaged by Mr Hawke allows little, if any, room for individual initiative and development and argues for 'sameness' or 'uniformity', a feature of a socialist Government and system. The federal system in modern terms provides a counterbalance to abuse of power by a central Government, a counterbalance essential to Australian democracy.

It is in this context, therefore, that, for one concerned about the maintenance of appropriate checks and balances between State and Federal jurisdictions and in the rights of the States (or, the rights of people in the States), the direction of the majority of State and Federal Governments in the next three years will have particular significance and interest. There have been marked changes in the direction and emphasis of Australian federalism in the 82 years since Federation. To suggest otherwise is to ignore the significant swing of the pendulum from the States to the Commonwealth in a variety of areas, particularly finance. The Federation originating in the convention debates of the 1890s is markedly different from the Federation of the 1980s. The convention debates of the 1890s focussed upon the desire to weld together six colonies into a federal nation by using the United States Federal system as the model rather than the Canadian Confederation, although important changes were made in adapting the American federal concept to the needs of Australia and the colonies.

Since 1901, the Federation has passed through several phases as the needs of society have changed and the requirements of Australia as a nation in the international context have grown. The financial agreement of 1927 and the Loan Council system was probably the principal achievement of early federalism. After the first 50 years of federalism, the Commonwealth emerged with a dominant role through the support of the High Court and the emphasis on the Commonwealth's principal role of raising finance. A key to this was the uniform tax case of 1942, which upheld Federal Government legislation to force the States out of income taxing with consequent increased reliance by the States on tied grants under section 96 of the Constitution. Section 96 of the Constitution provides:

> During a period of 10 years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State on such terms and conditions that the Parliament thinks fit.

Under section 96, the Commonwealth Government hands out the funds to the States for specific purposes determined by the Commonwealth, requiring the States to follow specific policy and administrative guidelines, often without appropriate consultation with the States on the policy or even on its administration.

It has probably been the Commonwealth's monopoly of income taxation and customs and excise duties which has affected more than anything the relationship between the State and Commonwealth Governments, and the balance of powers. The steady increase in the proportion of conditional grants to all grants from the Commonwealth to the States is an indication of the increasing dominance of State Governments by the Commonwealth. That proportion was something under 20 per cent in 1951 and increased to about 30 per cent by 1972 to something over 40 per cent by 1976. Of course, he who holds the purse strings calls the tune.

Professor Geoffrey Sawer in his paper, 'Seventy-five years of Australian Federalism', suggests that since 1951 Australia has been moving at varying speeds from:

> ... co-operative to organic federalism, in which the Commonwealth sets all major policies but the States retain a considerable degree of constitutionally-guaranteed discretion in the administration and local adaptation of such policies.

However, the experience of the Whitlam era from 1972-75 was that section 96 grants were used extensively and the Commonwealth left little, if any, discretion to the States, even in the administration of those grants. While federalism is principally about the sharing of power (and the sharing of power depends on who has the financial resources to exercise that power), there have been significant achievements in co-operation in recent years. Let me refer to several.

The offshore waters constitutional settlement, initiated by the Fraser Liberal Government and involving extensive consultation between the Commonwealth and the States, has resulted in a package of laws, State and Federal, which give certainty to and guarantees of State sovereignty in respect of certain coastal waters whilst recognising also the Commonwealth's international responsibilities.

The National Companies and Securities Scheme is a partnership of the Commonwealth and six State Governments responsible for the administration of companies and securities law throughout Australia. The Commonwealth Government has instituted, and backed by Statute, the requirement of consultation with the State on appointments to the High Court.

The Commonwealth has agreed to the States being represented in negotiating delegations on treaties and conventions and, where appropriate, has approved Federal clauses, declarations and reservations. And there is the Commonwealth legislation which enables the States to impose a surcharge on income tax up to 5 per cent or allow a rebate of income tax up to 5 per cent on the basis that Governments that spend money ought to be accountable for that spending as well as for the raising of that finance—a most honourable principle but one which all State Governments have been reluctant to accept because of the political repercussions of such a course of action.

Since the election of the Hawke Government in Canberra, and Mr Hawke's professed intention of intervening in the Tasmanian dam dispute to prohibit its construction and of legislating to provide for Aboriginal land rights in Queensland, serious questions are raised for all the States, not just those two. Question marks must obviously be placed over the Co-operative Companies and Securities Scheme, the means of achieving serverance of residual constitutional links with the United Kingdom, and State participation in negotiations on treaties and conventions where those treaties and conventions affect State law only and have no legal effect on the Commonwealth's areas of responsibility.

I make no comment on the merit of the respective objects of Federal intervention in Queensland and Tasmania, and it is early yet to say positively what basis the Federal Government will seek to use to intervene. Presumably, with the Queensland land rights issue, the Commonwealth will seek to use the Aboriginal affairs power and, with both Queensland and Tasmania, the external affairs power of the Constitution. Maybe the Commonwealth will also seek to use financial blackmail, either through the attaching of conditions to section 96 grants for other purposes or through the majority of the Loan Council with respect to overseas borrowings.

It is certainly not clear that the Federal Government has constitutional authority to legislate directly to prevent construction of the dam, notwithstanding its public posturing to the contrary. And, whilst some may argue that the end justifies the means, the longer-term consequences of Commonwealth intervention are serious.

Presumably, the Commonwealth will try to rely on the High Court's decision in the case of *Koowarta v Bjelke-Petersen and Others* relating to the Commonwealth Racial Discrimination Act, 1975, and decided on 11 May 1982. The majority of the High Court upheld the validity of the Racial Discrimination Act, generally relating the Commonwealth jurisdiction to the power under the Constitution (section 51 (xxix)) for the Commonwealth to make laws with respect to 'external affairs'. Australia was a party to the Convention on the Elimination of All Forms of Racial Discrimination and, although that was the key to the validity of the Commonwealth Racial Discrimination Act, 1975, it is clear that the existence of a treaty or convention is not necessarily an essential prerequisite to the exercise of the power. Mr Justice Brennan went so far as to say:

> If Australia, in the conduct of its relations with other nations, accepts a treaty obligation with respect to aspects of Australia's international legal order, the subject of the obligation thereby becomes (if it was not previously) an external affair, and a law with respect to that subject is a law with respect to external affairs.

That is devastatingly sweeping. However, the minority of judges, including the Chief Justice, Mr Justice Gibbs, took a much narrower view of the external affairs power of the Commonwealth. He says:

> To understand the power as becoming available merely because Australia enters into an international agreement, or merely because a subject matter excites a national concern, would be to ignore the Federal nature of the Constitution. It would be to allow the Commonwealth, under a power expressed to be with respect to external affairs, to enact a Bill of Rights entirely domestic in its effect—a Bill of Rights to which State legislation and administrative actions would be subject but which would of course not necessarily have the same effect on Commonwealth legislation or administrative action.

Mr Justice Wilson also warned of the consequences of too broad a construction of the external affairs power when he says:

> Certainly the entire field of human rights and fundamental freedoms would come within the reach of paramount Commonwealth legislative power. In addition to the covenant on racial discrimination, there is now the covenant on civil and political rights, the covenant on economic, social and cultural rights, in addition to the covenants of the International Labour Organisation. There are Declarations on the Rights of the Child, Rights of Mentally Retarded Persons, and the Rights of Disabled Persons. It is no exaggeration to say that what is emerging is a sophisticated network of international arrangements directed to the personal, economic, social and cultural development of all human beings. The effect of investing the Parliament with power through section 51 (xxix) in all these areas would be to transfer to the Commonwealth virtually unlimited power in almost every conceivable aspect of life in Australia, including health and hospitals, the workplace, law and order, economy, education, and recreational and cultural activities, to mention but a few general heads.

The *Financial Review* summed up the consequences when, on 8 March 1983, it stated:

> If the foreign affairs power is interpreted too widely, we might as well consider the Australian Constitution as a document protecting the rights of States in a federation, as inoperative. If the Commonwealth can choose to usurp the residuary rights of the State at any time simply by entering into an agreement with a foreign power, or with a number of foreign powers, or with an international institution, then the States have rights only by consent of the Commonwealth.

Is this what the Federal Labor Government wants? That must be the consequence of intervention by the Commonwealth and of Mr Hawke's own views. Is this what the State Government wants? Certainly not, if they are Liberal or National Country Party Liberal coalition Governments. If they are Labor, will they be bound by Party platform or will they cast the platform aside to protect the interests of the people of South Australia? I doubt whether the present South Australian Government can be strong, but I urge it to take every available step, including intervention in the High Court if necessary, to ensure that Australia does not cease to be an effective federation and does not become but one unitary Government.

My concern about the extent of the Commonwealth's power and the way in which it uses it (and the attitude of the South Australian Labor Government to the constitutional survival of this State) is coloured by my fear that an unscrupulous Federal Government intent upon realising its ambitions to dominate States will seek any means to wield power and bring the States to their knees.

The use of the external affairs power to intervene in both Tasmania and Queensland opens the way for abuses of that power and intervention in every aspect of the citizen's life, regardless of the views of the State Government which he or she may have elected. It is yet to be resolved by the High Court that the Commonwealth does in fact have the power to intervene but, if the Commonwealth seeks to intervene, steps must be taken to challenge that power before the High Court, and the South Australian Government must be urged to intervene to argue strenuously for 'States' rights'. Any attempt by the Commonwealth to use financial blackmail by, for example, attaching conditions to funds for purposes unrelated to those two issues must be strenuously resisted. There are several other examples of co-operative federalism, well-established, which may be under threat.

The long-term policy of the Labor Party with respect to the Companies and Securities Scheme is, quite clearly, to hand it all over to the Commonwealth. The State and Federal platforms say so. That may well require the States to cede certain powers to the Commonwealth to ensure that any national Companies and Securities Scheme is within the full competence of the Commonwealth; but, be that as it may, the State Government in South Australia must be urged to retain the Co-operative Scheme and not move towards total Commonwealth control. Any attempt to cede to the Commonwealth sole jurisdiction in the area of Companies and Securities law must be viewed with concern by the business community, notwithstanding the superficial and, perhaps, initial appeal of dealing with only one government.

The present scheme does provide considerable benefits to the business community, not only through the first effective uniform law but also because local practitioners (lawyers and accountants) and business people have a real opportunity to make direct input to their local Corporate Affairs Commissions and a State Minister for change to or development of the Companies and Securities law; they have sympathetic and flexible local administration not dominated by a centralised bureaucracy. Any ceding of power to the Commonwealth may well mean Commonwealth regulation of building societies, credit unions, associations and other bodies incorporated under State law. Control from Canberra must necessarily mean the establishment of a large and complex centralised bureaucracy without the local contact or flexibility necessary in the administration of the Companies and Securities law. The focus will be on the eastern seaboard cities of Melbourne and Sydney.

Under a Federal Labor Government, presumably the States may not have the facility of participating in negotiations on international treaties and conventions which directly affect the State's areas of jurisdiction. Presumably, also, the proposal to sever Australia's and the Australian States' residual constitutional links with the United Kingdom in a responsible and certain manner acceptable to all parties is at risk. The proposal was agreed in June 1982 between all States and the Commonwealth with guarantees for the States and for democracy through complementary Federal, State and United Kingdom legislation. That proposal particularly provided for the States a facility to entrench basic principles and institutions in their respective State Constitutions.

Under the Hawke Federal Government, it is to be expected that the Commonwealth will make greater use of section 96 grants, as it did in the Whitlam era, enabling the Commonwealth to dominate policy decisions and tie those grants to the performance by the States of specific conditions as to the implementation and administration of the schemes, the subject of such grants. Little flexibility is allowed to the States which, in many respects, become a mere conduit. Therefore, the Commonwealth under Mr Hawke will gain an ascendancy over the States, putting at risk the whole concept of co-operative federalism, moving to a much more dramatic coercive federalism, leading to further emasculation of the States with prejudice to their citizens and the variety of the Australian federation. These are but a few areas in which the States and their citizens will be at risk.

The Hon. C.J. Sumner: Is not the question of the so-called 'powers of the Federal Parliament' a matter that occurs more as a result of High Court interpretations of the Constitution rather than any action of Government at Federal level, whether it be Labor or Liberal Governments?

The Hon. K.T. GRIFFIN: Obviously, the Attorney missed the early part of my remarks. I suggest that he read *Hansard.* This occasion is not the appropriate forum for a detailed dissertation on federalism. What I have sought to do is to draw attention to the risks to the concept of federalism which are likely with the dominance of the A.L.P. in Australian politics today. It cannot be said that the people of Australia and the States have voted for basic structural constitutional change. Their votes have been cast on the basis of their knowledge of Australia's existing federal system. For our State Governments to condone significant structural constitutional change would be unforgivable. We are a small State whose forbears have had to fight for all we now have. Some of that battle has been against the dominance of the eastern seaboard. I urge our State Government in South Australia to take every opportunity to fight for South Australia, if necessary against the central Government and the more populous States. If the A.L.P. does not, all South Australians will lose. I support the motion.

The Hon. L.H. DAVIS: I join with my colleagues in thanking His Excellency the Governor for his Address in opening this session of Parliament. I welcome the new members to this Chamber: the Hon. Miss Diana Laidlaw, the Hon. Mr Peter Dunn, the Hon. Mr Rob Lucas, and the Hon. Mr Ian Gilfillan. I express my sympathy to the families of the late Hon. Mr Gordon Gilfillan and the late Hon. Mr Cyril Hutchens, who both served the Parliament and the people of South Australia with distinction for many years.

Particular reference was made in the Governor's Address to the state of the economy, and my remarks will be concentrated in that area. To better understand what this Government intends to do in the economic area it is necessary to look at several documents that have been made available publicly over the past 12 months. Honourable members will recall that *South Australia's Economic Future, Stage I* was made available to the public on 27 May last year by the Australian Labor Party. That document set out to provide a blueprint for the South Australian economy in the event that Labor came to Government in this State. It also undertook to provide further details of Labor's economic plan for South Australia in the event of its forming a Government. In that respect it has failed.

The Labor Party has released no further information on this matter since stage 1 was made available at the end of May 1982. I will concentrate on economic matters in three particular respects. First, I refer to take-overs. Page 9 of *South Australia's Economic Future, Stage 1* states:

> Labor does not find it acceptable that more and more vital economic decisions affecting the lives of South Australians are made outside the State.

That refers, quite categorically and quite unequivocally, to the fact that many South Australian companies were receiving take-over offers from companies based in other States. The then Leader of the Opposition often said that South Australia was becoming a branch office. I believe that we were all concerned about that. However, it was made quite clear that the Labor Government would do something about that situation. Therefore, it comes as some surprise that, since the Government came to office on 6 November, there have been two major take-overs of South Australian publicly listed companies and yet we have not heard one peep from the Treasurer or from any member of the Labor Government.

The Hon. K.T. Griffin: They didn't know about it.

The Hon. L.H. DAVIS: That could well be true. First, there was the take-over of Onkaparinga Textiles by MacQuarie Worsted. More recently, there was a take-over of some considerable significance, namely, the bid by the Herald and Weekly Times group for the majority holding in Television Broadcasters Ltd.

My position on this matter is quite clear: I believe that unless circumstances are exceptional the market place should be its own master. There have been exceptions which, of course, have been a matter for this Parliament and, indeed, for this Council. There was, for example, the case of the South Australian Gas Company and the matter of Santos, but it is not my purpose to reflect now on those past decisions. However, in the matter of the take-over of Television Broadcasters Limited by the Herald and Weekly Times Group, the initial bid was $3.50 per share, which was subsequently increased to $4 a share. Given that there were 6 000 000 issued shares for which the Herald and Weekly Times Group was bidding $4 a share, that placed a value on Television Broadcasters Limited, the operators of Channel 7, of $24 000 000.

The directors of Television Broadcasters Limited recommended the acceptance of the increased offer of $4 a share for the company. Advertiser Newspapers Limited owns 40.67 per cent of Television Broadcasters, which in turn owns 11.92 per cent of Advertiser shares. In other words, the Herald and Weekly Times Group will not only be taking over control of a television station by the purchase of shares which have a total value of $24 000 000 but also because of that take-over, will gain control of nearly 12 per cent of Advertiser shares. If one were to place a value of $14 000 000 on the Advertiser shares then that is an additional benefit to the Herald and Weekly Times in this take-over.

It should also be said that the Herald and Weekly Times Group owns 28.76 per cent of Advertiser shares. There is no question that there is a close, interlocking arrangement between Herald and Weekly Times/Advertiser and Advertiser/Television Broadcasters, in the sense that there is a cross-holding between the last mentioned two companies. The take-over bid values Channel 7 at only $24 000 000, including the $14 000 000 worth of Advertiser shares.

However, just a few months before this take-over, N.B.N. Ltd, a Newcastle-based television station, acquired Channel 9 for $19 000 000. It was stated later, I think in N.B.N's annual report, that it is now worth more than $25 000 000. So we see Channel 9 in South Australia being acquired for $19 000 000 at a time in August 1982 when it was worth at least $25 000 000: yet Channel 7 was acquired for $24 000 000, including $14 000 000 in Advertiser shares, which places a value of only $10 000 000 on its television licence. It is not for me to comment on the efficacy, adequacy or otherwise of that take-over bid—that is for the market to decide. However, I am rather bemused that this Labor

Government (which like so many opposition Parties came to Government with good intentions) did nothing about its intention to ensure that take-overs of South Australian companies were prevented. I am suprised that the Labor Government has not lived up to its commitment in this area.

The Labor Party, as far back as May when it released this document on South Australia's economic future, signalled its intention to create a South Australian Enterprise Fund. I spoke on this matter on 15 September 1982 during the Budget debate. I will address my remarks again to this matter. One can find the genesis of the concept of a South Australian Enterprise Fund in Labor Party policy as far back as its November 1981 convention when a motion was moved by Mr G. Smith and seconded by Mr C. Hurford, as follows:

Establish a State Investment Fund to marshal capital to finance an expanded public role in the development of selected industries to strengthen and provide balance for the State's economic base: in general, the State Investment Fund will be financed by the issue of shares: possible means of mobilising funds for the purpose of shares in the State Investment Fund may include:

(a) directing the State Government Insurance Commission and the South Australian Superannuation Fund Investment Trust to reduce commercial property and some other investment activities and to place capital with the fund; any redirection of investments to be conditional on there being no reduction in the rate of return for contributors or policy holders.

(b) legislating for the State banks to purchase shares issued by the State Investment Fund and requesting them to do so.

(c) removing obstacles to significant investments by credit unions in a corporate body such as a State Investment Fund.

Therefore, this proposal is not a novel one for the Labor Party to put forward as it was conceived as early as November 1981 and written into Labor Party economic policy in May 1982.

This move sought to do something more than had been attempted anywhere else when discussing the concept of a South Australian Enterprise Fund, which is, indeed, an exciting concept if one does not think about it for too long. The Premier alluded to the fact that this concept had met with enormous success in the Canadian Provinces and in European countries. I made the point in September 1982 that there was no animal quite like the South Australian Enterprise Fund created in Canada and that, indeed, those funds, which have a public ownership in them in Canada, were certainly under a lot of pressure as a result not only of the economic down-turn but also because the very concept was being questioned in Canada. There was a deliberate move by the Canadian Federal Government to divest itself of its 51 per cent interest in the Canadian Development Corporation.

Page 76 of the document *South Australia's Economic Future* states:

It is envisaged that initally funds will be drawn from the State financial sector and from private investors but over time a revolving investment account will enable the fund to become a generator of capital in its own right. It will also provide opportunities for South Australians to invest in the developments that are taking place in their State through the issue of shares.

Page 77 of that document further states:

The fund shall have powers to buy and sell shares, debentures and other securities to companies operating in South Australia, and to make loans to such companies. It will also have the powers to acquire or construct buildings or develop industrial sites and lease or sell them to private companies. It will also be able to make guarantees in respect of loans made to companies operating within the State.

So here we have a fund which is a creature of the Government, which has private ownership, and which, presumably, lists shares or trades at least on the stock exchange.

I want to put on record the question whether the concept as originally set down in *South Australia's Economic Future, Stage 1* will ever take place. I really do not believe that a South Australian Enterprise Fund as initially conceived will work. There is no question that at least some of the ideas for the South Australian Enterprise Fund have been stolen or adapted from the Victorian Development Fund, which was one of the election promises of the Cain Government at the Victorian State election in April 1982.

The Labor Party in Victoria in its election policy in 1982 provided for the establishment of what it styled a cash management account, to hold $200 000 000 of essentially short-term funds of Government departments and agencies to be placed out at short call at commercial rates of interest. There was also a State Development Account, which would be built up over three years to over $475 000 000. It would be used for 'job generating capital works and expenditure programmes designed to boost employment, social facilities and the State's economy generally'.

Legislation to establish the Victorian Development Fund was introduced in Victoria in June 1982, just two months after Labor won government in that State. At the time, the Treasurer stated that the terms of participation of each of the statutory authorities would be negotiated with them individually. It was quite clear that the statutory authorities, not surprisingly, resented a direction from the Government to participate in the Victorian Development Fund. There was resistance. I understand that a good deal of persuasion was necessary to ensure that statutory authorities participated in the Victorian Development Fund.

Thus, the legislation was introduced in the Victorian Parliament in June 1982, and it was not until December that the Victorian Development Fund was actually launched, eight months after the Labor Government won office. The Labor Government in South Australia has been in office for just 4½ months. To date, we have seen no legislation and we have heard little comment about the South Australian Enterprise Fund, except the abortive (or aborted) attempt by the Government to consider the possibility of Mr Bakewell's being shifted in to head up this new fund.

The Victorian Development Fund, which was launched in 1982, provided for two accounts: the Cash Management Account, which was to cover the short-term deposits provided by a variety of Government authorities and agencies; and the State Development Account, which was a source of loan funds for high priority capital works projects in the public sector. The Victorian Treasurer, Mr Jolly, indicated that, at the beginning of the year, there was just over $100 000 000 accumulated in the Cash Management Account; that is, the short-term deposit arm of the Victorian Development Fund. There was also an indication that the State Development Account had believed that 20 public authorities were initially prepared to invest up to $150 000 000 in the first year. Of course, those funds would ultimately be used for public works.

Only a month ago, the Treasurer, Mr Jolly, announced that $30 000 000 had been allocated from the Victorian Development Fund for schools maintenance. Of course, these funds, as I indicated, had been, in a sense, compulsorily drained from semi-government authorities and not from existing Government capital accounts. More interestingly, the Victorian Government has adopted the device of taking advances from its new Cash Management Account to help offset the Budget deficit.

This temporary use of the Victorian Development Fund has been criticised by the Liberal Opposition in Victoria (and not surprisingly), because it seems that, in January, the Cash Management Account, or the Victorian Development Fund, had been used to cover a revenue shortfall to the extent of $109 000 000. That shortfall, one could understand, was due to the drought, the general decline in economic activity and the shortfalls flowing from that. So there is what seems at least superficially to be a very exciting and

neat concept, namely, the marshalling of funds from Government authorities and agencies so that at short term they can be invested in one block, perhaps attracting a marginally better rate of interest, and then for longer term purposes the marshalling together of funds for capital works programmes of benefit to the State.

One can imagine that the Labor Government in South Australia is moving towards something along these lines when it talks about the creation of a South Australian Enterprise Fund. One can only surmise that, because very little information has appeared since the initial publicity in May 1982. However, I would like to make some points about the Victorian Development Fund, the arguments against the concept and the reservations that one must therefore have about the so-called and much vaunted South Australian Enterprise Fund.

First, there is no such thing as a free lunch in government. One cannot create money from nothing. The creation of a Victorian Development Fund did not create a larger pool of money for the Government to use: the creation of a South Australian Enterprise Fund will not create a large fund of money for the Government here. In fact, real costs arise from the creation of such an authority. Professor Officer, Professor of the Department of Accounting and Finance at Monash University, and Professor Parish, Professor of Economics at Monash University, in a very detailed and persuasive argument, pointed out the cost of setting up such a fund. First, such funds must be serviced: commercial rates will have to be paid to the public bodies for the use of these funds, and that is a direct cost to government. Secondly, the removal of these funds from other financial assets would require funding of these assets from other sources, and this could be expected to increase pressure on interest rates.

In other words, if the South Australian Government intends by the creation of the South Australian Enterprise Fund to drain off, let us say, $10 000 000 from ETSA, $10 000 000 from the State Government Insurance Commission, or $10 000 000 from the State Superannuation Investment Trust, that money will be forgone by those institutions.

It will be money that they will not be able to spend on capital works programmes or investments they wish to make. So, it is a real fiction to say that the South Australian Enterprise Fund will be job creative: all it will be doing is shuffling money from one hand to the other.

A second point that is germane to the argument about whether or not the South Australian Enterprise Fund is a good thing is the suggestion which was made when it was initially launched, that it would help keep money in South Australia and that it will build up a larger pool of money for the benefit of South Australians. That argument is very superficial, as I suspect Victorians will also find, because statutory authorities in that State were precluded from investing in interstate securities—they were forced to invest in Victorian securities only. One can imagine that, if every State has that preclusion, then no-one is going to be better off. In seeking to replace lost funds, financial institutions in other States will perhaps have to put their interest rates up to ensure that their securities are more attractive.

Another argument which is superficially attractive in creating a fund for short-term investments for Government authorities is that, if one can pool $500 000, $2 000 000 or $5 000 000 from the small, medium and larger semi-governmental authorities and agencies into one fund, one will be able to maximise the rates of interest available. It is a very superficial and attractive argument.

Honourable members will be aware of the concept of the cash management trust and what I have outlined is exactly the concept which has been picked up by those trusts, namely, that they pool small investors' money which, added together, is many millions of dollars, and this enables the trusts to buy securities at the top commercial rates available in the market place. However, Professor Officer and Professor Parish make the point that, if one takes away from Government departments and agencies the responsibility to manage their cash flows independently and to keep themselves efficient, then in time they are going to become less efficient; they will be discouraged from remaining abreast with developments in the market place and will become remote.

All the arguments traditionally used by public sector departments will then become more pertinent. So, if one argues that the agencies are inefficiently using funds or holding funds beyond their needs and that that, therefore, should be an argument to pool those moneys because they are not being used as efficiently as they can, it may rather be that the remedy lies in making them more accountable through programme performance budgeting, or whatever measures the Government sees appropriate, rather than directing them to deposit funds with another Government agency. I fear that the South Australian Enterprise Fund may achieve its aim through directing authorities to invest funds for short or long-term purposes, but the benefits may be more apparent than real.

The other point worth bearing in mind is this: are there any surplus funds available anyway? Is there an argument to say, as Mr Cain argued at least until he reached Government and found the argument not true, that there are reserves not being properly used? Of course, it was only last year that the Premier, Mr Bannon, made the point that the cash reserves and investments under the previous Liberal Administration had been run down. One can buy an argument on that point: should a Government have large reserves slopping around the many Government authorities or agencies or should they be trimmed right back, so that one has a lean, effective, efficient administration. I have always argued that the latter point is one which should be quite clearly established. I am sure that the Labor Government has found out, in its first 4½ months in Government, that there is not a lot of fat in the Treasury, Government authorities and agencies.

In conclusion, the Enterprise Fund is a horse which is at the barrier and, if it does start, is unlikely to go very far. I have already alluded to some of the arguments about the Enterprise Fund, which would suggest very strongly that it will not work in its original form. I have already made the point about the Ramsay Trust, and I say with no pleasure whatsoever that I believed right from its inception that the Ramsay Trust had no chance of success. I now say that the South Australian Enterprise Fund will have no chance of success, if run along the lines that the Labor Party proposes and which that Party repeated continuously throughout the election campaign.

I do not believe that the public of South Australia will be willing to buy shares in the South Australian Enterprise Fund. If shares are created in a South Australian Enterprise Fund, how will they be bought and sold? Will they be listed on the Stock Exchange? If that is the case, then obviously the South Australian Enterprise Fund will have to be run on a very strict commercial basis. Which State enterprises will come under the umbrella of the South Australian Enterprise Fund? One can see from the original motion passed at the Labor conference in November 1981 that at least the S.G.I.C., the South Australian Superannuation Investment Trust and maybe the State Bank and the Savings Bank of South Australia will be required to invest in the South Australian Enterprise Fund.

I assure honourable members that 'required' will be the operative word, because they will not do it willingly for the simple reason that to invest in what is a political commitment

of the Labor Party, namely, the establishment of the Enterprise Fund, would require those financial institutions to forgo some of the programmes they have had on the drawing board for many years. I believe that Treasury will have enormous difficulty in persuading financial institutions and Government authorities and agencies to invest in the fund.

Another clear indication that the Government is finding it difficult to get its horse out of the starting gate is that there has been no mention of the size of the South Australian Enterprise Fund. This concept has been floating around for 12 months. I suspect that when it eventually comes out of the barrier it maybe like the horse in the last race at Broken Hill on the weekend, which went into the barrier without a white blaze on its forehead and came home by two lengths with a white blaze on its forehead: a horse of a different colour.

The Hon. C.M. Hill: It is more like the horse that should have been in the race, which was at long odds.

The Hon. L.H. DAVIS: That is right. My colleague, the Hon. Mr Hill, will agree that that is not a bad analogy and, if the South Australian Enterprise Fund does eventually start, it will be a very cramped and different version from the one that was initially proposed.

It is quite clear that this Government is long on idealism but very short on realism; it simply does not understand the financial process at all. I am waiting with great interest to see how this Enterprise Fund will pump investment into high technology and export industries. As Mr Bannon said in his policy speech, 'We will get behind businesses which have potential to expand and create jobs.' But the Enterprise Fund will not have any more money than the total pool of money available in the Government now.' I suggest that it is in reality a political trick—an attractive one, but essentially a financial trick, a financial sleight of hand, which we will see unveiled before our eyes in the next few months. Whilst the people may be duped, it may be that some will finally realise that, if the South Australian Enterprise Fund comes into being, it is yet another case of a Labor Government not realising that the public sector cannot do as well what the private sector is there to do.

The other point that I want to make very briefly relates to the Ramsay Trust. Again, this proposal was linked inextricably with the Labor Party's economic plan when it was in Opposition. As far back as May last year, on page 62 of *South Australia's Economic Future, Stage 1,* it was said:

> Labor currently is considering the establishment of a body to raise housing funds through the issue of capital-indexed debentures which are guaranteed by the Treasury. Details of the scheme will be released later.

Then, in a speech by the Leader of the Opposition to the Australian Finance Conference luncheon on Thursday 24 June, only four weeks later, the then Leader of the Opposition said this:

> Another idea involves the establishment of a body to raise housing funds from the private sector through capital-indexed debentures guaranteed by the Treasury.
>
> I believe that there are many investors both private and institutional, who are looking for a secure long-term investment which provides a return protected from inflation.
>
> The combination of certainty and security which we could offer is attractive and gives us the opportunity to mobilise funds at lower cost.

That, of course, is an interesting admission. The Leader of the Opposition in that speech is admitting that the investor will get a lower return on his money than he can from alternative sources. That is exactly right. It is no surprise, I would have thought, to most people in the financial community to see that the Ramsay Trust failed. It gives me no pleasure at all to talk about it because all of us in this Chamber would be united in our determination to provide welfare housing. If one looks at the record of the Liberal Government and the Minister of Housing in that Government, the Hon. Murray Hill, it will be seen that it was an impeccable record in terms of increasing our commitment to welfare housing—in fact, by some 84 per cent over a very short period.

The Ramsay Trust was, as I mentioned, part of the economic strategy of the Government. It was a cornerstone of the economic strategy of the Government along with the South Australian Enterprise Fund. The Government talked about it consistently and included it in its policy speech. It was part of its package. It was right there when the fund was launched last December. The Liberal Party, for its part, did not speak publicly against the fund. It was not until the prospectus closed that the first public comment was made. I remind the honourable members that the prospectus stated that it would close no later than 11 March at 5 p.m.

That having taken place, the Leader of the Opposition in another place, Mr Olsen, said on 14 March that he understood that the trust had failed. The Premier launched what can only be described as a blistering attack on him which would have surprised members of the financial community because if one says that a prospectus closes that is it. Certainly, one might have some money in the pipeline, but if it is generally known that it is well short people accept that it has failed. The Leader of the Opposition had that information and made it public. There was nothing terribly unusual about that except to say that, to my knowledge, it is the first time that any public issue guaranteed by a Federal or State Government since Federation has failed. That says something in itself, yet the Premier suggested that Mr Olsen was attacking private enterprise in a most malicious way. On the contrary, this scheme had been around for four years and many people had passed an opinion on it. The majority view from people whom one would accept as experts was that it would not work. It was a lovely idea but, as honourable members know, there is not much point in having a lovely idea if it does not work. I will talk about why it will not work later. It is not just a question of raising the money; there is much more to it than that. For four years that had been known.

Secondly, the public had an opportunity over a four-week period to invest funds. Let us not make any mistake. It was not just advertised in South Australia: full page advertisements were taken in the *Financial Review,* and many advertisements were taken in the *National Times* and other leading interstate papers which are well recognised as having an impact on the financial community. Also, several editorials and articles were written of rather a bland style; one would say that they had been favourably placed, and there is nothing wrong with that in promoting what is a new concept.

If one looks at the claims made by the Labor Government in its housing policy on page 7, remembering that it talked about the Ramsay Trust for some two out of 12 pages, showing how committed it was to this project, one will see that the then Leader of the Opposition said, 'Considerable success in raising funds has been achieved in the United Kingdom and New Zealand for funds of a similar type.' I suggest that, if I took that statement to the Minister of Consumer Affairs and asked him to comment on the veracity of it, it would not get past him for the simple reason that in the United Kingdom and New Zealand these securities are not just indexed to the rate of inflation.

They differ in two important respects from the Ramsay Trust debentures: first, the income accruing on them over a period—in this case, five years—was itself free of taxation. That is a pretty heady attraction to an investor; it was not the case with Ramsay Trust debentures. Secondly, the inflation index-linked debentures in New Zealand and England had a 2 to 3 per cent coupon attaching to them. I checked that and found it to be true. Here, it was a zero coupon, so

there was no top-up component, no regular income paid to the investor at the rate of 2 to 3 per cent, which of course makes a substantial difference. So, for the then Leader of the Opposition to say, 'Considerable success in raising funds has been achieved in the United Kingdom and New Zealand for funds of a similar type' was a deception—I do not believe that it was made deliberately, but rather I choose to say that it was made in ignorance of the truth without properly checking the facts. Of course, that is the tragedy of this Government's economic record—its financial naivety.

I now turn to the specific details of the Ramsay Trust to see why it did not work. In the last week or two people had been focusing on the fact that the trust raised only $200 000, with over $100 000 having been spent on administration and advertising. I suggest that the amount of advertising is as much as one would see from the South Australian Gas Company for a reasonable amount, or even an Electricity Trust loan of a considerably larger sum, given that certainly it was a novel proposal. Honourable members should make no mistake—much money was spent on advertising. Much effort went into it.

What determines the success of such a proposal? Is it whether or not there is a Federal election or the timing of the loan? I suggest that they are spurious reasons. More fundamental reasons make people decide whether they will invest in securities and, for the benefit of those honourable members who are not familiar with those reasons, I will run through them.

First, the financial community, which understands these things, must say, 'Yes, this is a good investment for my client.' It includes bankers, remembering that a bank was involved in the trust. It also includes financial and stock and share brokers in Adelaide and Melbourne who were contacted about the investment, and it includes other people such as accountants and lawyers. In other words, there is a wide spread of people who would have financial acumen, quite apart from individual investors who can sense whether or not it is good.

Honourable members should look at what the trust is offering. It offered a security that was indexed to the rate of inflation. We can assume for the sake of simplicity that in 1983 inflation was 10 per cent (that would be near to the mark), although it is possible now to invest in securities that offer much more than that. Savings bonds offer close to 13 per cent; semi-government securities offer close to 14.5 per cent; and finance debentures offer 14.5 to 15.5 per cent. This all underlines one of the fundamental flaws of the scheme which, as I said, is a lovely idea but which is not marketable in its present form.

The fact is that, apart from a brief period in 1974 when inflation exceeded the commercial rates of interest available, interest rates in Australia have always had a real component. In other words, if the rate of inflation was 9 per cent, the commercial rate of interest would have been a factor above that. That is typical of the case today, as I am sure all honourable members would be aware. The Ramsay Trust suffered from that disadvantage. First, it was not competitive with existing securities, Government guaranteed or otherwise. Secondly, it did not offer regular income and, thirdly, it was for a long time.

Over the past few years there has been a marked shift away from the longer period, because the growing economic uncertainty meant that investors, whether 40 years of age or 70 years of age, were saying that they would not invest for more than three or four years. Therefore, an investment for five years was anathema to an ordinary investor wanting to save.

In addition, there were other securities which offered tangible and attractive benefits, such as friendly societies, which currently offer a bonus of about 13 per cent. Also, if one holds investment for four years, because this comes under taxation exemption provisions for assurance investment, the income accumulated over the period is tax free. Further, that income does not have to be taken into account for pension purposes. Also, it can be included in the $1 200 which one is allowed to claim on tax forms for superannuation.

Therefore, there was much heavy competition from traditional sources such as from Commonwealth and semi-government authorities, friendly societies, building societies, banks and financial debentures. Initially, at least, people were not attracted to the Ramsay Trust.

I would not like honourable members to think that if the money had been raised all the problems would have been solved, because I do not believe that that would have been the case. In time, the funds invested for five years would have had to have been rolled over. Honourable members should make no mistake about that. I am sure everyone will agree that people would have invested for five years rather than for 10 years. If at the end of five years people did not want to re-invest, what would happen, given that the rental/purchaser participating in this low-cost housing finance had a 22-year contract? What happens at the rollover, given that the Ramsay Trust is structured in such a way that there is little fat left in it? There is not room to accommodate 2 or 3 per cent coupons which would have made it more attractive.

The other point which is also extraordinarily fundamental and which has been neglected in the arguments on this issue so far is that the rental/purchaser has to pay an additional rental each year equal to the amount of inflation in that year. In other words, if inflation increased by 10 per cent in 1983, in 1984 the rental would increase by that amount. Honourable members can see that it may have been an anomalous situation: the Ramsay Trust, having been established to assist in low-cost housing, may eventually have been involved with a rental purchaser paying more rent than if he had taken a mix of existing Housing Trust finance and traditional housing finance.

The other point that also should not be neglected is that, if one examines the last seven years, one sees that price movements of Adelaide houses in the areas where Ramsay Trust houses were likely to be established show that there has been a decline in real terms in the value of those houses. This means that if for any reason the rental/purchaser wanted to move out, or if, say, the trust was wound up, those rental/purchasers could have had a negative equity in the house if the trust had been established seven years ago.

The Hon. Anne Levy: That's nonsense.

The Hon. L.H. DAVIS: It is true.

The Hon. Anne Levy: They'd have to pay to sell their house.

The Hon. L.H. DAVIS: The honourable member can look at it. I have been necessarily brief in discussing the negative aspects of the Ramsay Trust. I do so with great reluctance. As I said at the beginning, we all share a mutual concern to provide for welfare housing, but I suspect that many low-income families are ignorant of schemes to help people raise deposit moneys. Social security project officer Raelene Aish made the point as far back as January that many people did not realise what good housing schemes there were for people on low incomes.

I have sought to look at three areas in relation to economic matters, that is, take-overs, the South Australian Enterprise Fund, and the establishment of the Ramsay Trust. I have tried to show that the Labor Government, at least in its first 4½ months, has not exactly had a firm grasp on financial matters. I hope that the Treasurer enrols in a crash course in economics and, more importantly, in the ways of the

market place. Without his having understanding, the financial stability of South Australia may be in some jeopardy.

I have been told that Mr Bannon is the same age as the Rolling Stones' Mick Jagger. If his grasp of economics in future is as bad as it has been in his first 4½ months in office, it will not be long before the electors of South Australia are singing the Rolling Stones' biggest hit 'I can't get no satisfaction'. In fact, if the Treasurer does not lift his game, he may well qualify for what I think is the rather delightful definition of an economist, which recently appeared in the *London Financial Times*, as follows:

Someone who will tell you tomorrow why the things he said today did not happen.

The Hon. C.M. HILL secured the adjournment of the debate.

LAW COURTS (MAINTENANCE OF ORDER) ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 16 March. Page 366.)

The Hon. K.T. GRIFFIN: The Opposition supports this Bill, which was drafted while I was Attorney-General and which gives adequate powers to civilian court orderlies who are to replace police officers. In his second reading explanation, the Attorney-General referred to a report from the Director-General of the Law Department. The Law Department changed in, I think, 1981 when it was divided into the Courts Department (to have responsibility for the administration of courts) and the Attorney-General's Department (to take responsibility for all remaining functions, with the addition of the Parliamentary Counsel's office). Prior to that date the Director-General of the Law Department prepared a report which focused on replacing police officers with civilians as court orderlies.

While I was Attorney-General it was decided that we would provide funds to enable police officers to be relieved of their duties as orderlies in the courts and train civilian court orderlies to be engaged on a casual basis when required. The estimate made at that time, and reflected in the Attorney's second reading explanation, was that some 16 full-time equivalent police officers would be relieved from court orderly work and replaced by some 29 civilian orderlies on a part-time basis. That decision was taken for a number of reasons, the first of which was to ensure that highly trained police officers were not relegated to sitting at the back of a court room, calling witnesses, or doing those jobs which anyone could do, thereby enabling them to go back to the duties for which they were trained.

It was also decided that, to make better use of the funds available, instead of engaging persons to act as court orderlies on a full-time basis, it was preferable to use civilians only when they were needed. I am very pleased that the Labor Government has continued that initiative and has now brought this Bill before us. One of the difficulties foreseen when we decided to replace police orderlies with civilian orderlies was the question of the power of civilians to maintain order within the courts. Although the replacement of police orderlies began in, I think, about August 1982, it was decided that, notwithstanding the lack of power held by civilian orderlies adequately to maintain order in emergency situations, the transition should proceed. But for the election, this Bill would have been brought before Parliament and passed into law to ensure that court orderlies meeting difficult situations within the courts and emergency situations had adequate power. These powers are set out in proposed new section 9.

New section 9 reflects the duties of court orderlies and provides them with sufficient power to maintain order and to make arrests. It also gives them the powers of a special constable under the Police Regulations Act. I am pleased to be able to support this Bill, because it is a valuable initiative in relieving highly trained police officers of this work, thereby enabling them to perform the duties for which they have been trained and bringing into the courts part-time civilians who will make a significant contribution to the maintenance of order within the precincts of the courts.

The Hon. C.J. SUMNER (Attorney-General): I thank the honourable member for his support for this Bill. He has outlined his role and the previous Government's role in preparing the principles involved in this legislation. I think the important principle is one which has been recognised for some time but which has not been acted on until now, that is, that the courts (the magistrates courts and the courts of summary jurisdiction) should be seen to be independent of the police. Honourable members may recall that many years ago the magistrates courts were in fact called police courts. The first move to assert that courts of summary jurisdiction were independent of the police was to change their name to 'magistrates courts'. This Bill removes from the courts police officers as orderlies. In principle, it is a desirable move which also has the benefits pointed out by the honourable member, whom I thank for his support.

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

STATUTES AMENDMENT (COMMERCIAL TRIBUNAL—CREDIT JURISDICTION) BILL

Adjourned debate on second reading.
(Continued from 16 March. Page 368.)

The Hon. J.C. BURDETT: I support the second reading of this Bill, which relates to the Commercial Tribunal and transfers the jurisdiction of the Credit Tribunal to the Commercial Tribunal. I introduced the Commercial Tribunal Legislation while a member of the previous Government. I pay a tribute to Mr Michael Noblet, Director-General of the Department of Public and Consumer Affairs, whose brainchild this was. The Act has no effect unless actual jurisdiction is transferred to it. The purpose of this Bill is to carry on the work started by the previous Government and to transfer the jurisdiction of the Credit Tribunal to the Commercial Tribunal. I support the second reading.

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

COMMERCIAL TRIBUNAL ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 16 March. Page 369.)

The Hon. J.C. BURDETT: I support the second reading of this Bill, which makes minor amendments to the Commercial Tribunal Act. This was a major thrust of the former Government as a measure of deregulation. Previously, eight tribunals were exercising jurisdiction in licensing in occupational licensing areas. This seemed to be a waste. The thrust of the Commercial Tribunal Act, which I introduced when Minister, was to make it possible to have a single tribunal with a single administration to deal with all the occupational licensing areas.

As I have said before, the Bill was the brainchild of Mr Michael Noblet, Director-General of the Department of Public and Consumer Affairs. The former Government took up and implemented his idea as far as it could during its term of office. I mentioned in relation to the previous Bill that while the tribunal was set up the idea and the object expressed at that time was that it could not operate until jurisdiction was transferred to it under the existing special Act, as in the case of the previous Bill, the Consumer Credit Act, the Builders Licensing Act, legislation relating to secondhand motor vehicle dealers, and so on.

The plan envisaged in the Commercial Tribunal Act was that from time to time, and where appropriate, the jurisdiction of other tribunals would be transferred to the Commercial Tribunal. The previous Bill took a first step in that direction with regard to the Credit Tribunal.

This Bill makes some amendments to the principal Act. First, in regard to the constitution of the tribunal, these amendments are relatively minor, in that discretion is a function of the tribunal which will now be able to be exercised by the commercial registrar subject to the approval of the tribunal or the Chairman. This is a perfectly reasonable amendment. The second of the major amendments is to enable the tribunal to dismiss or annul the proceedings when a person takes a proceeding before it frivolously, vexatiously or for an improper purpose. This provision commonly applies to courts and various tribunals and is a sensible and proper provision.

The next of the major provisions in this Bill concerns rules or regulations to be made by the tribunal. These, of course, are in regard to procedural matters. The Bill provides that these procedural matters are to be provided for by regulation. I think that that is an improvement. While the tribunal is, no doubt, a *quasi* judicial body (and it would be fair to call it that), it is not a court, and powers to make rules are normally exercised by courts. It was confusing that we had the dual position of regulations and rules existing. I believe that it is proper in regard to tribunals such as this that, where procedures are to be set out, the Government should accept the responsibility for that, they should be made by regulation, and Parliament should have the appropriate authority over them.

The only other provisions of the Bill are technical and, as I have said before, the original Commercial Tribunal Act, the principal Act, was inititated during the time of the previous Government. I am therefore pleased that it is being carried forward by the present Government. I support the second reading.

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

TRANSPLANTATION AND ANATOMY BILL

Adjourned debate on second reading.

(Continued from 16 March. Page 365.)

The Hon. J.C. BURDETT: I support the second reading of this Bill. It closely follows a Bill prepared but not introduced by the previous Government which was circulated to parties likely to be interested in it. This area of law has needed clarification. The Australian Law Reform Commission considered the matter and prepared a model Bill, which this Bill follows in many respects, although not in all respects. Several other States have introduced similar legislation.

I am pleased that this Government has continued the initiative of previous Governments and has introduced this Bill, which closely follows the Bill circulated by the previous Government. Since this Bill was tabled by the Minister I have circulated a copy of it to the A.M.A., the Law Society and principal churches. I have received no general adverse comments on this Bill, and this also applied to the Bill circulated by the previous Government.

The Bill is a major piece of legislation in a very sensitive area. On the one hand, human rights must not be infringed on and human lives must not be terminated or endangered improperly to assist the health of other people or even to save the lives of other people. On the other hand, there should be no undue or unreasonable impediment to the proper availability of human tissue for transplantation to a patient who will benefit, sometimes immeasurably, from that transplant. South Australia, as all honourable members know, has been among the leaders in kidney transplantations, in particular, and this legislation will assist in maintaining our State's leadership. The Bill brings together most of the statute law on the subject of transplants.

Part II of the Bill deals with donations of tissue by living persons, and it is gratifying that this subject is now to be sensibly regulated and placed in an Act of Parliament. Division III prohibits donations from living children of non-regenerative tissue. This is a departure from the model Bill of the Australian Law Reform Commission. I support the Bill in this regard and support that departure, as this departure is quite sound. I understand that the departure came about largely because of disquiet on the part of people to whom the draft Bill was circulated by the previous Government. The removal of a kidney, for example, from a child is very deleterious to that child. I am glad that the Bill does not enable this to be done. In the same context, it is worth noting that in the past there has been some doubt about the ability of a person to give consent for the purposes of the criminal law for the donation of a kidney, when such action could be damaging to the person himself and could give grounds for an action of assault in some form or another against the surgeon. This Bill very properly resolves this question. I think that the Bill is correct in not extending immunity from the criminal law in the case of donations of non-regenerative tissue by children.

Part V deals with donations for anatomical purposes. This largely relates to donations of bodies of deceased persons to a university for use by the medical school; this is something which is very necessary and important. The procedure is set out in clause 29, referring to the situation where the designated officer, normally an administrator of the hospital, has no reason to believe that the deceased person had, during his lifetime, expressed the wish for, or consented to, the use of his body after his death for anatomical purposes or has expressed an objection to the use of his body after his death for such a purpose and, after making reasonable inquiries, has no reason to believe that the senior available next of kin of the deceased person has an objection or is unable to ascertain the existence or the whereabouts of the next of kin of the deceased person or is unable to ascertain whether the next of kin of the deceased person has an objection to the use of the body of the deceased person for such purpose. This means that where a person has died and where it cannot be ascertained that his body may be used for that purpose of medical research and where the next of kin cannot be found or his views cannot be ascertained, the designated officer may effectively donate the body for the purpose of medical research.

I find this alarming and cannot see why this provision is necessary. There are similar provisions regarding the transplanation of tissue from deceased persons and post-mortem examinations, but I believe that this is in a somewhat different category, particularly regarding transplantations, as that tissue may be needed in an emergency. In the case of kidney transplantations from the body of a deceased person, I understand that the required time is in the order

of something like 20 minutes. There obviously is an urgency there. There may be urgency in regard to post-mortem examinations, but in regard to the donation of a body for medical research there is no such urgency, nor is there likely to be in the near future. I understand that a number of people, and doubtless their reasons are very credible, have said that it is important that bodies be available and that many people will their bodies to the university for this purpose. I am also told that there are, if I can use such a callous term, more than enough people who will their bodies for this purpose, and that there is an oversupply.

If it happens that the next of kin of a deceased person cannot be located and that there are too few bodies for this purpose, it will not disadvantage anyone. Under the present system it is necessary only in the case where bodies are willed for this purpose, or there are similar consents on the part of the deceased, where that person has made it known that his body is available for medical science. At the present time there is an adequate supply of such bodies.

During the Committee stage I propose to give consideration to moving an amendment to take away that ability from the Bill and, in effect, provide that it is only in cases where the deceased has indicated his consent for his body to be used in this way or where the next of kin can be found and consent, where the body may be made available for this purpose. I point out that the designated officer, the administrator of the hospital, is a person who could be said to have a vested interest not to make extensive inquiries for the next of kin. One of the organisations to which I circulated the Bill, as tabled by the Minister, contacted me on this and agreed that this is a matter on which there should be some change.

The Bill is an important one. It is a step forward, which will maintain the excellent practice which exists in South Australia in regard to the proper and most useful and life-saving transplantation of human tissue. I commend the Government for continuing the initiative taken by the previous Government in this area. The Bill is, as I have said, a most important one and an advance in this area, and I support the second reading.

The Hon. R.C. DeGARIS secured the adjournment of the debate.

DEATH (DEFINITION) BILL

Adjourned debate on second reading.
(Continued from 16 March. Page 365.)

The Hon. J.C. BURDETT: I will support very briefly the second reading of this Bill. It is very closely related, of course, to the previous one and it has been, as the Minister said in his explanation, necessary in the light of modern medical practice to determine the time of death and to lay down by Statute what means are to be used. The Minister correctly pointed out that with the techniques which are used at the present time to maintain life, the question of whether blood circulation has stopped may not be an effective way of determining death, and the definition of irreversible cessation of the function of the brain should be an appropriate test, and I support that.

The Bill refers to, and I think repeals, the Transplantation of Human Tissue Act of 1974. In regard to that Act, there was a select committee of which I was a member, and at that time the select committee reported that it did not feel that it was appropriate to provide a statutory definition of death, but that it was better to leave the time of death to be determined by clinical examination. I believe that that was a correct assessment at that time in 1974, but for the reasons which the Minister mentioned in his explanation those times have changed with the techniques that are now used to prolong life. I believe that this Bill goes hand-in-glove with the previous Bill on transplantation, is a desirable one and is necessary to provide for the proper practice of transplantation and for the proper determination of death.

I suppose that people have always feared—and justifiably—that they may be treated as dead before they are in fact dead. We have all heard stories—and some of them are justified—where this has happened, where a person has been certified as being dead and has been treated as such and has subsequently, as it were, come to life. So, it is a sensitive area about which we should be careful, but I believe that with modern medical techniques, particularly, the definition of irreversible cessation of the function of the brain is an adequate safeguard, and I support the second reading of the Bill.

The Hon. R.J. RITSON: I support the Bill. It is a good piece of legislation and is a move towards what I hope will be uniformity throughout Australia and the world. Some aspects of it go beyond the question of transplantation. As the Minister mentioned in his second reading explanation, it is introduced for the general purposes of the law in South Australia and not merely for the purpose of being adjunctive to the question of tissue transplants. I wanted to speak for a little while on its relationship to the general law of the State and I also wanted to discuss its relationship to current medical practice and to allay some fears that the general public may have if it does not understand it—fears that it may alter medical practice or lead in some way to perhaps a haphazard or careless declaration of death on the part of medical officers. It is important that the way in which it will operate be described in a certain amount of detail. In view of the hour, I seek leave to continue my remarks later.

Leave granted; debated adjourned.

ADJOURNMENT

At 6.2 p.m. the Council adjourned until Wednesday 23 March at 2.15 p.m.