LEGISLATIVE COUNCIL

Tuesday 31 May 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—

Periodical and General Elections, held on 6 November, 1982—Statistical Return of Voting.

Rules of Court—Supreme Court—Supreme Court Act, 1935-1981—Summons for Direction.

By the Minister of Health (Hon. J.R. Cornwall):

Pursuant to Statute—

Racing Act, 1976-1982—

Greyhound Racing Rules—

Stewards Fees.

Special Tracks.

Trotting Rules—Stewards Fees.

Racing Act, 1976-1981 and Fees Regulation Act, 1927—Regulations—On-course. Supervisor Fees.

Planning Act, 1982—Crown Development Reports by the South Australian Planning Commission on—

Proposed development at the Port Pirie High School.

Proposed division of land at Section 167, Hundred of Bonney.

Proposed division of land at Section 19, Hundred of Dutton.

Proposed Community Welfare Centre at Modbury.

Proposed classroom redevelopment at Rose Park Primary School.

Proposed 275/132kV Transmission Development, Port Augusta-Whyalla.

Proposed erection of transportable classrooms at the Gawler College of Further Education.

Proposed borrow pits for Arkaroola access road.

Proposed construction of a single transportable classroom at the Mount Pleasant Primary School.

Proposed library and administration building for Prospect Primary School.

Proposed division of land, City of Campbelltown.

Proposed erection of a single transportable classroom at Unley High School.

Proposed development at Mount Gambier High School.

By the Minister of Agriculture (Hon. Frank Blevins):

Pursuant to Statute—

Marine Act, 1936-1976—Regulations—Prevention of Collisions at Sea.

Electrical Articles and Materials Act, 1940-1967—Regulations—Definitions.

Motor Vehicles Act, 1959-1981—Regulations—Fees for Number Plates.

Road Traffic Act, 1961-1981—Regulations—Traffic Prohibition—Hindmarsh.

The Flinders University of South Australia Act, 1966-1973—By-laws—General.

MINISTERIAL STATEMENT: PORT AUGUSTA HOSPITAL

The Hon. J.R. CORNWALL (Minister of Health): I seek leave to make a statement.

Leave granted.

The Hon. J.R. CORNWALL: For some months I have been concerned about the delivery of health and hospital services in Port Augusta and, in particular, the conduct of the Port Augusta Hospital Board. On 1 March 1983 I expressed this concern at a meeting held at the hospital. Those present included the Chairman, several members of the board and the medical superintendent. While the discussion ranged over many aspects of the board's performance and responsibilities, two matters received particular emphasis. These were the urgent need for a re-delineation of clinical privileges and for a more constructive approach to the upgrading of physical and management aspects of the hospital.

I regret to inform the Council that the precise advice given to the board by me, as Minister of Health, and by senior officers of the South Australian Health Commission, was largely ignored by the board. I believe that the board's failure to act in the best interests of the people of Port Augusta was at least partly due to the poor advice it received from some doctors. Accordingly, I again travelled to Port Augusta on 19 May to meet with the board.

On this occasion I dealt in detail with the areas in which I felt the board had failed to come to grips with its responsibilities, and I indicated that unless its performance improved substantially within three months I would have no option but to dismiss it.

At the request of some board members, I agreed to provide written advice on the roles and functions of the Port Augusta Hospital Board together with an outline of the major immediate problems which must be addressed. I have carried out that undertaking and I now propose to advise the Council of the steps I have taken to ensure there are substantial improvements in the quality of patient care and that public confidence is restored in the Port Augusta Hospital.

The most urgent problem facing the board is the re-delineation of admitting and clinical privileges at the hospital. It is common knowledge within the South Australian medical profession that Port Augusta has been the focus of intense professional rivalry and great instability in the structure of the medical practices serving the community. At times this has reached the stage of threatened or actual legal confrontation, and the lack of mutual trust is certainly a factor contributing to organisational difficulties in the hospital. The lack of co-operation by visiting doctors has contributed to overcrowding and at times potentially unsafe conditions in the casualty and outpatients areas when access is demanded by a number of doctors at the same time.

Another area which demands close scrutiny is the very high rate of hospitalisation in Port Augusta in the European as well as the Aboriginal population. This issue was identified clearly in an earlier study conducted by the hospital planning consultants Lawrence Nield and Partners, but was not readily accepted by local doctors.

Clinical standards are always a matter of concern, and in relatively recent times there have been serious complaints about surgical procedures, administration of anaesthetics, management of normal and abnormal deliveries and some aspects of general medicine.

I do not wish to inflame the situation by listing the names of individuals or detailing the complaints in Health Commission files. However, I think it is appropriate that I indicate the seriousness of the problems which faced the Port Augusta Hospital Board and its obvious failure to take the necessary action to correct those problems.

As far back as December 1979 the board received a report on surgical services from a specialist consultant surgeon, whose services were funded by the Health Commission. The consultant concluded that a medical practitioner 'lacking training and qualifications in this field' had been practising surgical procedures at the hospital. The report recommended that a peer review committee be set up to advise on:

- an Internal medical audit system
- standard operating procedures
- pathology 'review' meetings
- regular clinical meetings
- standards of medical documentation

- autopsy reviews
- control of cross infection
- recommendations regarding assistance of operations. In particular, no major procedure (for example, appendicectomy or greater and especially caesarian sections) should be performed without a qualified assistant.

Neither the board nor the medical staff appear to have ever taken these recommendations seriously. Although the board went through the motions of establishing a peer review committee, it is clear that it has never functioned as an effective peer review mechanism.

Health Commission officers have been in discussion with the board and the medical staff of the hospital continually over the matter of clinical privileges, provision of clinical services and quality of care. Specific problems which have arisen in the past three years include the withdrawal of anaesthetic privileges for a medical practitioner who disputed the decision to withdraw those privileges. A review by an independent specialist in anaesthetics established in mid 1982 that a majority of the practitioners who administered anaesthetics in the hospital showed 'a fundamental lack of knowledge of equipment, drugs and techniques'. The specialist identified two major problems:

1. A decline in the standard of anaesthetic practice within the hospital; and
2. the need for a re-delineation of clinical privileges.

Following these recommendations, the Health Commission again urged the hospital board to undertake a complete re-delineation of all medical privileges as a matter of priority. In my opinion, the board's continuing failure to do so further jeopardised the quality of care in the hospital.

I wish to make it clear that the obvious problems in the Port Augusta area and the fact that the medical community is, to a large extent, divided and disputatious, should not be taken as a reflection upon all doctors in the area. I recognise that some doctors practise good medicine and that they make decisions in the best interests of the local people. At the same time, I would be failing in my duty as Minister of Health if I did not indicate my strong disapproval of those doctors whose behaviour has contributed to the lowering of the quality of patient care and whose motives are certainly questionable.

Under the circumstances, it was mandatory that the complete re-delineation of privileges for doctors at the hospital should be conducted by an independent and impartial committee of external medical experts. I made this absolutely clear on my visit to Port Augusta on 1 March. In the presence of senior Health Commission officers and hospital staff, the board chairman and the medical superintendent gave every indication that they agreed with this point of view. However, the board then proceeded to take exactly the opposite course, deciding to appoint its own committee and including on the panel a local general practitioner and the medical superintendent himself. Subsequently, the medical superintendent informs me, he resigned from the committee because he disagreed with the board's action.

I have taken action to resolve this contentious matter as quickly as possible. I have directed that the delineation of privileges be carried out by an advisory committee appointed after consultation with the Australian Medical Association and professional colleges. That committee will comprise: Dr David King (President of the South Australian Branch of Australian Medical Association), Chairman; Dr David Muecke, Royal Australian College of General Practitioners; Dr John F. Walsh, Royal Australasian College of Surgeons; Dr E.T. Furness, Royal Australian College of Obstetricians and Gynaecologists; Dr D. Henderson, Royal Australian College of Physicians; and Dr W. Fuller, Faculty of Anaesthetists of the Royal Australasian College of Surgeons. In addition the board and the medical staff of the Port Augusta Hospital will each be invited to nominate to the committee a practising clinician to represent their interests, with the proviso that the nominee must not be currently or historically associated with medical practice in Port Augusta.

It is also my intention that the quality of patient care provided by Port Augusta Hospital should be the subject of review as a separate exercise from the re-delineation of clinical privileges. I have directed senior Health Commission officers to prepare a submission for the establishment of a Professional Advisory Committee. I will announce the membership of that committee as soon as possible. I envisage its terms of reference will be to conduct a utilisation review in the Port Augusta Hospital and to supervise a review of quality assurance mechanisms operating in the hospital, reporting back to the Minister of Health and the hospital board on necessary change. Dr Brian Dare, whose appointment as the Area Health Co-ordinator was announced recently, will serve as project officer to both the delineation committee and the Professional Advisory Committee.

Before outlining the further, necessary arrangements to be undertaken, I wish to make it abundantly clear that the matters I have mentioned before do not reflect upon either the Chief Executive Officer or the Director of Nursing at Port Augusta Hospital, who I believe are conscientious and efficient employees who have lacked proper support. Nor do I accept interpretations which have been put upon my public statements of concern claiming that I have attacked nursing or other staff at the hospital. I made and intended no criticism of the nursing or support staff. At the meeting on 19 May, I certainly stressed the problem of low morale among staff and the consequent, inevitable effect upon the quality of patient care. The staff representative on the board publicly acknowledged the low morale problem.

I emphasise today that, as far as I am concerned, the nursing and ancillary staff are the victims in the situation and not persons to whom blame can be attached. My object in making my criticisms public was to jar the board into accepting its responsibilities and to free board members from the unfair or unreasonable pressures I felt were applied by some local doctors.

It has been necessary as part of this exercise to arrange for some important administrative changes pending the reviews that are now being instituted. Because of the sensitivity of the matters requiring immediate attention, it would be impossible for the part-time Medical Superintendent to continue in that capacity. He has recognised this and, during an amicable meeting in my office, at which a senior medical officer of the South Australian Health Commission was present, indicated his willingness to resign from the position. As an interim arrangement, Dr Malcolm Collings, Director, Health Programmes, South Australian Health Commission, Western Sector, will visit Port Augusta weekly for the next five weeks to perform the duties of Medical Superintendent. From 1 July the Acting Medical Superintendent will be Dr Brian Dare who, as I mentioned earlier, has been appointed Area Health Co-ordinator.

In a letter which I posted to all members of the Port Augusta Hospital Board last night, I have also raised the problem of a possible conflict of interest for medical practitioners sitting on a hospital board when clinical privileges and similar matters are being dealt with. I have advised that it would be appropriate for the local medical society's representative to withdraw while these matters are discussed, secure in the knowledge that access to a properly constituted appeal committee is guaranteed.

It is my opinion that the steps I have outlined today will lead to improved patient care at Port Augusta. The Health Commission has undertaken a series of major initiatives to ensure a substantial upgrading of health services in Port Augusta and the northern region. I have confirmed in writing

the approval I gave for the appointment of architects by the Port Augusta Hospital Board to draw up preliminary plans for extensions recommended in the consultant's report. We have advertised nationally for a senior salaried Medical Superintendent to work full-time at the hospital and the position will be filled as soon as possible.

There are also exciting prospects for the establishment of a community health centre and the formation of an area health board, which will be one of Dr Dare's main roles. It is my view that the way is now clear for this hospital to play a vital role in the development and delivery of health services in the North of the State.

QUESTIONS

SEWAGE DISPOSAL

The Hon. M.B. CAMERON: I seek leave to make a brief explanation before asking the Minister of Fisheries a question about Finger Point.

Leave granted.

The Hon. M.B. CAMERON: Honourable members would be aware of the ongoing concern that has been expressed about the Government's decision to scrap for at least three years plans for a plant to treat Mount Gambier raw sewage, which presently flows undiluted into the sea at Finger Point. The Government, dispite its much vaunted claim of support for open government, has refused, I understand, to release a report compiled by the Department of Fisheries that assesses the impact of the release of the untreated sewage on marine life at Finger Point.

Whilst recognising that too much unfavourable publicity about the situation could conceivably put at risk our lobster export markets, I believe that, unless we act appropriately to rectify the problem (given the knowledge we have) and not bury our heads in the sand, we will allow a serious health problem to get worse and act only after our industry is irreparably damaged, rather than stopping the damage. Indeed, the Government itself has acknowledged the potential problems and uncertainty which exist by establishing a one-kilometre 'exclusion zone'. The Port MacDonnell council, the fishing industry and the Opposition all believe this to be an inadequate response. Lobsters have legs, and I am sure that the Minister would know that they do not recognise one-kilometre boundaries!

An honourable member: Put up a toll gate.

The Hon. M.B. CAMERON: Put a fence around it. As lobsters are migratory and can move up to 90 km in three months, that can be approximately one kilometre a day! So, in little more than a day, lobsters could well be outside this so-called exclusion zone. This clearly is inadequate.

The Minister's assertion on a recent *Nationwide* programme that the lobster processors are very responsible and would not process lobster from the Finger Point area is meaningless. How do the processors know where the lobsters come from? The lobsters do not have a label indicating their origins. The lobster fishermen do not tell even their deck hands where they are, let alone tell the processors where they do the fishing.

More than that, the concentration on lobster processors overlooks scale and shark fishing and fishing for other seafoods, including abalone. For example, I am told that it is well known to locals that the 'fattest' abalone can be found in the Finger Point area. Inevitably, irresponsible people will move into that area. During the shucking of these abalone, too, there is potential for contamination.

Members interjecting:

The Hon. M.B. CAMERON: There are plenty at Finger Point. Not all fish or lobster are, of course, processed; many are sold direct to consumers or restaurants. Often lobsters, for example, are sold in halves or cut in halves by restaurants with the gut included, thus raising the risk of food poisoning. As shown on the television programme, the area abounds with seaweed that is infested with live maggots, and the beach area is lined with excrement, as the Minister is probably aware, although I am not sure that he went down to the actual Finger Point area and saw it. If he had, he would be very disturbed. This still leaves an intolerable situation. I ask the Minister:

1. Will he reverse his decision not to release the report on the outflow of effluent at Finger Point?
2. Will he, with the Premier, agree to receive a deputation from the District Council of Port MacDonnell as a matter of urgency?
3. What steps have been taken to police the one kilometre exclusion zone?
4. How does the Government expect processors to establish the origins of lobsters, scale fish and abalone to satisfy themselves that they have not come from Finger Point and hence are not open to contamination?

The Hon. FRANK BLEVINS: I was not in the least surprised to have the Hon. Mr Cameron greet me with this question. As the honourable member stated, I was down at Mount Gambier on Wednesday of last week and met with representatives of the Port MacDonnell fishermen. I expressed my concern and that of the Government at the unsatisfactory nature of the disposal of this sewage at Finger Point. The Government has not tried to hide or make a secret of the fact that it would much prefer to have the money to build that facility. It is only money that is preventing it from doing so. The problem has been well known for something over 15 years; it is not a problem that has occurred since November last year. So, there is nothing particularly new about it.

The decision of the Government to defer this project, along with other capital works programmes that have been deferred, was taken with a great deal of regret. There were others; it was not just this one that was singled out. As I pointed out while I was in Mount Gambier, over the past three years the Liberal Government would not find the money to start this facility although it managed, for example, to give relief in the area of death duties and gift duties in this State to the tune of something like $30 000 000 a year. We could have built six facilities at Finger Point every year with the amount of money that the previous Government decided to give the wealthier section of this State.

Members interjecting:

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: Of course, the previous Government had the right to do that, because it won the election on the issue of the abolition of death duties. However, it did not raise the missing finance elsewhere. The previous Government received the electoral kudos for abolishing death duties, but it left the present Government to foot the bill. That bill has yet to be paid. It must be paid at some time. The people of Mount Gambier, the people of the Iron Triangle, with their water filtration programme, and the people of Newland, with their programme, will all have to pay the bill, because the previous Government was totally irresponsible in not paying its way as it went. Members opposite do not have to take my word for it. If they have forgotten, and if they have politically short memories, they need only look in *Hansard* to see what the Hon. Mr DeGaris said about their Government's financial behaviour over its three-year term.

The Hon. M.B. Cameron: Are you going to reintroduce those taxes?

The PRESIDENT: Order! Let us hear about Finger Point.

The Hon. FRANK BLEVINS: The question of taxation will be dealt with in the context of the Budget. I will be happy to discuss that matter in that context, but I am certainly not going to say, 'Yea' or 'Nay' on death duties or any other area of taxation.

We have established that it is not a new problem and we have established that the money has been squandered over the past three years. If I lived in the South-East I would be absolutely hostile that the previous Government (and the member for that area was a Minister) had squandered the State's resources on the wealthy of this State by abolishing death and gift duties (and in other areas), leaving the present Government to foot the bill.

It was a very nice political dodge. Although I have not been a Cabinet member for long, the longer I am a member the more it appeals to me. In the eight years that I have been a member of this Chamber I have learnt a great deal from the Liberal Party as to how to play politics. I came to this place as a nice, honest person, but members opposite have taught me well.

The Hon. J.R. Cornwall: They have taken advantage of you.

The Hon. FRANK BLEVINS: Yes, they take advantage, because I am nice. In relation to the 1 000-metre exclusion zone, the fishermen in this area are a responsible group and it has always been recommended to them that they stay away from this area—and they have done that.

The Hon. M.B. Cameron: They have no choice.

The Hon. FRANK BLEVINS: Just a moment. There is no doubt that they have done that. The fishermen agree that they should not take fish from this area because that would threaten their export markets. There has been no suggestion over the past 16 years, or for however long the problem has existed, that they have taken any fish for processing from the exclusion zone. If the Hon. Mr Cameron believes that that is not correct, he should go to the South-East and inform the fishermen of his suspicions and tell them that they are endangering their export industry. I personally—

The Hon. M.B. Cameron: What about travelling—

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: I will come to that in a moment.

The PRESIDENT: Order! That is the subject of another question. I would like to hear the answer to this question.

The Hon. FRANK BLEVINS: Yes, Mr President, and it was a very involved question; in fact, it took the Hon. Mr Cameron a great deal of time to ask it. This is an important issue for the Hon. Mr Cameron and for me, and I will give the Council the benefit of a comprehensive answer. The area in question has been a *de facto* exclusion zone, anyway. Over the past three weeks a great deal of publicity has been generated about this matter. I decided that, if there was any question at all of fishermen fishing in the exclusion zone (and they assured me that they do not), the Government would impose a 1 000-metre exclusion zone, and the zone would be policed. The fishermen will have lost no area in which to fish because they have already informed me that they do not fish there.

The Hon. M.B. Cameron interjecting:

The Hon. FRANK BLEVINS: The Hon. Mr Cameron can argue the matter with the fishermen, because they assured me that they avoid the area so as to not endanger their export markets, and I choose to believe them. I think that deals with the question of the exclusion zone. The Government is not saying that it is an ideal situation, and we are not pretending that we would not like to build the plant there. We are not doing that at all. There are a dozen other outlets around the Australian coastline that have the same problem, and I am sure that they would all like to build a plant. We are not saying that the situation is ideal; we are saying that, until we pay the bills left by the previous Government, we have some problems with these projects. It is not only this project that is affected, because there are many problems.

The Hon. Mr Cameron's first question was whether I would release the report. I understand that it was an E. & W.S. Department report, and not a Department of Fisheries report. I will have that matter investigated. I understand that it was a paper prepared by an engineer within the E. & W.S. Department, as a routine exercise. I will see the Minister of Water Resources in an attempt to obtain a copy. My suspicion is that the report will indicate that putting untreated sewage into the water is not good. We know that. No-one is trying to say that it is good. We know all about that. If I can identify and obtain the report required by the Hon. Mr Cameron I will be delighted to forward it to him, but I can tell him what it will say. The Hon. Mr Cameron's second question was, 'Would the Premier and the Minister be happy to receive a deputation from the Port MacDonnell council?' I am delighted to do that.

The Hon. M.B. Cameron: They have been told August—can you make it sooner than that?

The Hon. FRANK BLEVINS: I have no control over the Premier's diary.

The Hon. M.B. Cameron: You had better get some. That is too long.

The Hon. FRANK BLEVINS: I will be pleased to meet them. In fact, I went down to meet the fishermen concerned; I did not wait for them to come to Adelaide.

The Hon. M.B. Cameron: Did you go to Finger Point?

The Hon. FRANK BLEVINS: I did not have time to go to Finger Point. However, I do not have to be told what it is like, and the Government does not have to be told, either. We know that the position is not good. That is not what we are saying at all. I will be visiting the area again in about three or four weeks time. If it makes the Hon. Mr Cameron happy, I will go to Finger Point. However, my imagination is sufficiently good for me to visualise the beach without actually visiting it. What was the honourable member's third question?

The Hon. M.B. Cameron: What steps have been taken to police the area?

The Hon. FRANK BLEVINS: Normal policing. Department of Fisheries inspectors will ensure that the exclusion zone is policed. However, I repeat that that should not require too much effort, because the fishermen in the area assure me that they avoid the zone and do not go anywhere near it. Normal Department of Fisheries inspectors will visit the zone. In relation to the processors, my information is that the processors are there because this is an export market which requires a high degree of quality control. I am not a fish processor so I do not know the specifics involved in the exercise of that control. However, in conjunction with the Department of Primary Industry, the controls are extremely strict. If the Hon. Mr Cameron is saying that the processors do not take all possible care to ensure that the end product from the processing plan is wholesome, he should come straight out and say so. My information is that the Department of Primary Industry and the processors ensure—

The Hon. M.B. Cameron: That's an old trick.

The Hon. FRANK BLEVINS: Just a moment. They ensure that the product is wholesome. I hope that I have answered the honourable member's questions in sufficient detail, but if not I will be happy to take supplementary questions.

WATER FILTRATION

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Minister of Health a question about amoebic meningitis and water filtration in the Iron Triangle.

Leave granted.

The Hon. J.C. BURDETT: Honourable members may recall the considerable controversy early in 1981 that resulted from claims about the presence of meningitis amoebae in the pipelines transmitting water to the northern towns and areas—particularly Whyalla, Port Augusta and Port Pirie. Indeed, at the time, the now Government made a very strong lead in agitating on this matter. General concern was expressed about the relatively high incidence of amoebic meningitis in and around South Australia's Iron Triangle. The now Government (when in Opposition) made great play of the alleged dangers posed to the health of citizens from the poor quality water supplied to the area. The Labor Party went so far as to launch a no-confidence motion against the Tonkin Government on 24 February 1981 alleging, amongst other things, that:

1. It had placed cost savings above the community's health.
2. A filtration programming was necessary and that Labor plans for such a scheme had been deferred by the former Government with resulting delays.

The now Premier called on the Government to proceed with northern water filtration, alleging that health was at risk, and called for the resignation of the Ministers of Health and Water Resources. He said in Parliament that the situation revealed the 'sorry state' to which South Australia had been brought by a Government's cost cutting at the expense of public health safety. The Minister of Health's colleague, the member for Whyalla, accused the Government of 'playing Russian roulette' with the people of the northern region.

In this place on 26 February 1981 the present Minister of Health, in his now recognised inflammatory fashion (as the people in Port Augusta would be well aware), stated that the 'entire population of the State has been at risk throughout the summer season' and that 'the Government has been derelict in its duty', because it did not act to his satisfaction. Subsequently, in June 1981, the South Australian Government ordered immediate detailed design work to proceed on a water filtration plant to service the Iron Triangle cities. The plant was to be located at Morgan, on the Murray River, and would be the first of two such plants.

The 1981-82 Budget set aside $800 000 for work on the two filtration plants—at Morgan and at Swan Reach/Stockwell. In 1982-83 a further $2 200 000 was set aside for the filtration plants, allowing construction at Morgan to commence. In January this year the Minister of Water Resources announced that two tenders worth $1 300 000 had been accepted—to construct 12 megalitre water storage and to construct six homes for E. & W.S staff at Morgan. He said he expected that these two projects would be finished by June and that the plant would be operational by 1986-87.

He said that the project, vital to South Australia, had been hastened by additional funds from the Federal Government. He said also that the plant not only would provide Whyalla, Port Pirie and Port Augusta with clean water, but that the risk of amoebic meningitis would be reduced. The Federal Liberal Government committed nearly $700 000 to the filtration plants on the basis of a $1 for $1 contribution by the State. Now all this is at risk. In his speech in this place on 10 May, the Attorney said:

> The Government hopes that the support announced by the previous Commonwealth Government under a water resources programme will be confirmed by the new Government. If confirmed, this would enable us to proceed with the filtration of the northern towns water supply and the Happy Valley reservoir system simultaneously.

That programme announced by the former Government was a commitment to spend $640 000 000. Included in the programme was support to accelerate the Morgan filtration plant, which would have ensured the early availability of filtered water to the Iron Triangle.

In April, the new Federal Labor Government announced a review of the water resource funds committed to South Australia. The money had been principally earmarked for water filtration. In the mini Budget brought down on Thursday 19 May this programme was slashed. This means that Federal funds will not be available to support this important project initiated by the former Liberal Government. The delays to water filtration for the Iron Triangle cities are obvious. Accordingly, I ask the Minister of Health:

1. Does he stand by his views expressed in Parliament and elsewhere that the filtration of the water supplies to the northern cities is vital to eliminate a serious health threat?
2. Does he still believe that failure to act on water quality will, to use his words, put at risk the 'entire population of the State?'
3. Does he agree that the action of the Federal Labor Government will seriously delay the State's water filtration programme, particularly for the Iron Triangle, and consequently increase the health risk from the water in the region?
4. Will he, in conjunction with his colleague, the Minister of Water Resources, urge the Federal Government to review the decision?

The Hon. J.R. CORNWALL: I will deal with each question separately. As to whether I still stand by my view that filtration is vital, the short answer is, 'Yes, of course I do'. I also stand by the views that were expressed at the time when we unearthed the terrible scandal surrounding what cost cutting had done in regard to monitoring the amoebae in the water supplies of the Iron Triangle, in the Keith pipeline, and in other areas of the State. At that time it did not seem to be a matter of great concern to the Tonkin Government, that it had placed in jeopardy a broad area of the State because of the penny pinching and cost-cutting going on, and because the monitoring programme was substantially reduced. Of course it is a matter of great concern. It has been a matter of vital concern to me ever since I became Minister, and whenever reports of any isolation of *naegleria fowleri* in the State have come across my desk every month they have been forwarded to every council where those isolations have occurred. Every district council and local council has been informed. Immediately that has happened, we have taken whatever steps were necessary to super chlorinate areas, and take a portable chlorination outfit to the area, if need be. Indeed, we have been continuing to monitor at the absolute optimum level.

There has been no cost cutting or playing Russian roulette with anyone's life under this Administration, unlike the previous Administration. That is the long answer; the short answer is, 'Yes'.

The Hon. J.C. Burdett interjecting:

The Hon. J.R. CORNWALL: The short answer is that the Liberal Party played Russian roulette with people's lives by cutting back on money for proper monitoring. That was shown to be the case; it is a matter of public record. I am saying that this has not and will not happen under this Administration.

As to whether I stand by my statement that failure to adequately ensure water quality could put at risk the entire population of the State, the short answer of course is, 'Yes'. It is for that very reason that we continue to monitor over the entire 12 months of the year. *Naegleria fowleri,* as the

honourable member should know, is a ubiquitous organism: it is found in water all round the State from time to time. For that reason we are meticulously careful in our chlorination programmes. Currently, as the honourable member should know, we are also conducting a chlorination programme on the Tailem Bend to Keith pipeline, which is a refinement; if it proves successful it will be a substantial breakthrough to ensure water free from bacteria and amoebae around the State.

I will not go through the technical details, because I do not think the honourable member would understand, anyway, but I would be pleased to make officers available to explain the position to him at some time. I cannot remember the third question exactly, although it dealt with a Federal Government delay—

The Hon. J.C. Burdett: Do you agree that the action of the Federal Labor Government will seriously delay the State's water filtration programme, particularly from the Iron Triangle, and consequently increase the health risk from the water in the region?

The Hon. J.R. CORNWALL: Certainly, it may, and there is no question of that. I would have thought that the answer to that question was obvious. It is a $25 700 000 project. However, we will be taking the necessary action along the way to see that that project and other water projects in the State are not unduly delayed. If the honourable member has a little patience, it will all become clear to him during the Budget debate, when the Budget papers are tabled.

The next question was whether I, in conjunction with my colleague the Minister of Water Resources, would urge the Federal Government to review this decision. Of course, we have already expressed some disappointment about this matter. The most unfortunate fact is that the Hawke Government inherited a $9.6 billion deficit from the Fraser Government and has tried, in the short time that it has been in Government, to act with substantial financial responsibility. It is unfortunate that some of these cuts in public works have occurred. On the other hand, that $640 000 000 to be spent on the water project that the honourable member has talked about was not to be used quite as constructively as some of the money intended to be spent in South Australia.

I think some pie-in-the-sky project put forward by Joh Bjelke-Petersen to divert water across the dividing range, was particularly inappropriate given the unhappy situation of irrigation generally in this country. I certainly have made my views on this matter clear to my colleagues. I regret the fact that it has been necessary for Federal capital funding to be cut back in South Australia.

With regard to playing Russian roulette, I think it was absolutely disgusting that the Tonkin Government, in its penny-pinching exercise, played Russian roulette with the lives of the people of the Iron Triangle.

TRAVEL BONDS

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Attorney-General, as Minister of Consumer Affairs and Minister of Corporate Affairs, a question about travel bonds.

Leave granted.

The Hon. K.T. GRIFFIN: Full-page advertisements are now appearing in daily papers advertising travel bonds, a product of an association between the Hindmarsh Building Society and the airline T.A.A. I make it quite clear that I do not wish to criticise either T.A.A. or the Hindmarsh Building Society for their enterprise and initiative in this matter. The travel bonds basically provide for investment of $3 000 or more for 12 months in the Hindmarsh Building Society. The investor receives 3.75 per cent interest per annum which is taxable, but, when one invests, one receives a travel award to be exchanged for a holiday, the value of which determines the extent of the holiday, ranging from a trip to Melbourne to a trip overseas. The only condition is that the trip is not transferable outside one's immediate family and must be used within 12 months of the date of investment.

I expect that T.A.A. and the Hindmarsh Building Society have taken appropriate advice as to whether this travel entitlement is taxable by the Federal taxation office as an incident to the investment. If they have, that has not been made clear in media reports or the advertisements. I think that there may be some doubt about it because, for example, any benefits, allowances or gratuities that an employee receives as an incident of his employment is taxable by the Commonwealth.

The Minister of Tourism, Mr Keneally, launched the travel bonds, so presumably he is satisfied about this matter. However, the Attorney-General has previously expressed concern on a number of occasions about the morality of citizens taking advantage of legal tax loopholes to avoid or minimise tax. If the Hindmarsh Building Society or T.A.A. have found a way to give tax-free benefits to investors, it opens a most fertile ground for banks, credit unions, other building societies and many others seeking investment. In the light of the Attorney-General's previously stated aversion to people taking the benefit of the law to minimise what they pay to Governments by way of taxes, and the support of the Minister of Tourism for the scheme:

1. Has the Attorney-General, as Minister responsible for building societies, been consulted about, and approved, the scheme?

2. Is the benefit given by T.A.A. and the Hindmarsh Building Society free of Federal tax?

3. If it is not, will the Minister ensure that investors are informed of this?

4. If the benefits are free of Federal income tax, does he condone, or even support, the scheme and its tax-free investment advantages?

The Hon. C.J. SUMNER: It is true that I have stated in this Council, and elsewhere, on previous occasions that I do not approve of contrived and artificial schemes to avoid the payment of taxation, whether it be to the Federal Government or to the State Government. That is a commitment that I stand by. I have some cursory knowledge of the matter to which the honourable member refers, but I certainly have not, at this point of time, carried out a detailed investigation of the matters that the honourable member has raised.

I understand that the honourable member is concerned, both from the consumer's point of view and the corporate point of view, so I will refer the matter to the Commissioner of Corporate Affairs and the Commissioner of Consumer Affairs and obtain a report on the matter, including, if possible, the attitude of the Commonwealth Commissioner for Taxation on the scheme. I have some knowledge of the scheme—

The Hon. K.T. Griffin: Was it referred to you as Minister responsible for building societies?

The Hon. C.J. SUMNER: It was not referred to me for approval specifically as Minister responsible for building societies. Although I have some knowledge of the scheme, I have not investigated it in any depth. Clearly, from what the honourable member has said, and from what I know of it, the scheme is not illegal in the sense of being contrary to the law. However, I am certainly happy to obtain a further report on the matter and bring back a reply.

POLICE ACTION

The Hon. ANNE LEVY: I seek leave to make a brief statement before asking the Attorney-General, representing the Chief Secretary, a question about police action.

Leave granted.

The Hon. ANNE LEVY: On the evening of Friday 13 May a fund-raising dance was held at Norwood Town Hall organised by the National Organisation for the Reform of Marijuana Laws. This body has organised dances very successfully for quite a period. In fact, it has organised six dances in the past 12 months, and there has never been any complaint about violence or damage resulting from any of those dances. Indeed, the organisation informs me that it has never even lost its cleaning deposit at the various locations where the dances have been held. At all previous dances there has been a police presence, where a pair of uniformed police officers have walked through the hall once or twice during the evening and then left. There has never been any trouble at any of the dances organised by NORML.

Apparently, a very different situation occurred at the dance held on 13 May. As reported to me, a very large body of police officers entered the hall shortly after midnight. These officers were reported to include members of the STAR Force, which is an anti-terrorist squad, and the C.I.B.

I have received numerous reports about the behaviour of the police at the dance, as indeed has also been reported to the *Advertiser,* which carried a report about the event. As stated to me, there was police harassment of individuals, and people witnessing this were threatened with arrest. In fact, one arrest was made when somebody attending the dance sought to ascertain the number of a uniformed police officer and was promptly arrested.

I have been told that in all five arrests were made, although that figure may not be totally accurate. All of those five arrests were for so-called behaviour offences, such as loitering or hindering police. I am also informed that no arrests at all were made for the use, smoking, or possession of cannabis. In the light of this information that has been passed to me, I ask the Chief Secretary the following questions.

Who authorised the police deployment at the Norwood Town Hall on 13 May at the dance promoted by NORML? How many police officers were detailed to attend, and from what squads did they come? How many were plain-clothes detectives and how many were uniformed policemen? If STAR Force officers were present, what was the justification for using an anti-terrorist squad to attend the dance?

How far in advance was the police action planned, and by whom was it planned? What was the justification for the police action? Had any complaint been made to the police to justify the operation, and, if so, what was that complaint? If the police were acting on information, what was that information, and could the police produce any evidence to support that information?

In view of the fact that about 25 dances have been promoted by the marijuana law reform groups over the past five years, can it be confirmed that no complaint or arrest has ever arisen from these previous events? Is it not usual practice for police to make a low key appearance at such public functions, usually by sending only one or two pairs of officers to ensure that no disturbance is taking place? Will the Chief Secretary order a full report on these events?

The Hon. C.J. SUMNER: I will obtain a report from the Chief Secretary and bring back a reply.

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

That Standing Orders be suspended to enable Question Time to continue until 3.30 p.m.

Motion carried.

RIVERLAND FRUIT PRODUCTS CO-OPERATIVE

The Hon. I. GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General, representing the Premier, a question about the Riverland Fruit Products Co-operative.

Leave granted.

The Hon. I. GILFILLAN: Following questions asked in this Chamber, my interest was again aroused in regard to the future of the cannery. I have been informed that there is currently a heightened degree of concern in the Riverland and that a meeting has been convened for this coming Sunday to consider the matter. Obviously, something has disturbed the locals: they believe that the future of the cannery is about to be decided. They are concerned that the closure of the cannery would have enormous consequences for the area, and that is causing a lot of people extreme anxiety.

The second aspect that concerns me is the advisory committee of inquiry that has been established. Although the Government was well intentioned in setting up this committee, the committee does not really have high quality expertise to enable it to assess the previous performance and future viability in relation to economics and managerial quality. I ask the Government to consider a much higher level of assessment of the cannery, past, present and future, so that this Parliament can have access to accurate, reliable information upon which it can base an opinion on whether the cannery should continue to survive.

Many rumours have been circulating. One of the best rumours was detailed in the *Advertiser* of 22 August 1980 in the 'Extra' series, typifying much of the cause for discontent. The article stated:

> The story behind the gathering of information for this 'Extra' is as interesting and revealing as the main story itself. Unfortunately, a lot of it cannot be told. None of those who were crucially involved was prepared to be quoted on the record and many of the suggestions and allegations made could not be printed without corroborating evidence.

I believe there is a good chance that the assessment of the viability of the cannery has been made on erroneous judgments. Bad decisions have been made that are quite outside the normal business of the cannery, which has placed the cannery in an extraordinarily difficult economic position. Will the Government give an assurance that it does not intend to take any steps that would result in the closure of the Riverland Fruit Products Co-operative Limited?

The Hon. K.T. Griffin: I asked that question two months ago and couldn't get an answer.

The Hon. I. GILFILLAN: I realise that. Although an advisory committee has been appointed comprising representatives of industry, unions, community groups, Government, the district council, the Greek community, and the South Australian Canning Fruit Growers Association, the committee does not appear qualified to make an expert analysis of either the economic or the managerial potential of the cannery. Thus, will the Government undertake a high level inquiry into Riverland Fruit Products Co-operative Limited, seeking assessment of previous internal and external factors which might have had an influence on the viability of the cannery?

The Hon. C.J. SUMNER: I will refer the matter to the Premier and bring back a reply.

NORTHERN TERRITORY RAIL LINK

The Hon. R.C. DeGARIS: I seek leave to make a brief explanation before asking the Attorney-General, as Leader

of the Government in the Council, a question about the Northern Territory rail link.

Leave granted.

The Hon. R.C. DeGARIS: A very interesting letter appeared in the *Advertiser* this morning (which no doubt the Attorney-General has read), signed by Mr S.E. Huddleston on the separation of the Northern Territory from South Australia in 1911. Members would know that the 1911 in agreement between South Australia and the Commonwealth was ratified by both Parliaments, the Commonwealth agreeing to construct a rail link between Adelaide and Darwin. We all know that this part of the agreement has never been fulfilled by the Commonwealth. Mr Huddleston states:

> Any agreement without a fixed date should clearly be carried out within a reasonable time.
>
> Commonwealth Governments of whatever brand of politics have an intolerance towards the States which can only be countered in the High Court. South Australia might well consider this approach.

In proposing to build the line, the Commonwealth is now asking the Northern Territory to contribute 40 per cent to its capital cost. According to the Chief Minister of the Northern Territory, this is an impossible financial commitment for the Northern Territory at this stage.

My questions are: has the South Australian Government considered the question of a High Court action on the Northern Territory rail link? In discussions with the Chief Minister of the Northern Territory, has that matter been raised? If so, would the Government of the Northern Territory support such an action by South Australia?

The Hon. C.J. SUMNER: Certainly, it has not been formally considered by the Government. It is an interesting question. The extent, of course, to which intergovernmental agreements of that kind are enforceable by the courts is very much open to doubt. A challenge was undertaken by South Australia in relation to the standardisation of one of the lines, but was not adjudicated on by the High Court because it was determined that this was not an agreement undertaken between the Commonwealth and the State; it was not an agreement which was justiciable in the High Court. All I can say is that the matter raised by the honourable member has not been formally considered. I doubt whether it has been raised in the Northern Territory. Certainly, I am not aware of the Northern Territory Government's attitude if it has been.

The Hon. R.C. DeGaris: You have had discussions with the Chief Minister, Mr Everingham, haven't you?

The Hon. C.J. SUMNER: I personally have not had discussions.

The Hon. R.C. DeGaris: Has the Government?

The Hon. C.J. SUMNER: I understand that the Government has, although I cannot indicate the extent of those discussions from my personal knowledge. I am happy to obtain a report on the honourable member's proposition. It is an interesting one, although all I can do is point out the problems that have occurred in the past in attempts taken by States to enforce intergovernmental agreements in this country.

POKER MACHINES

The Hon. H.P.K. DUNN: I seek leave to make a brief explanation before asking the Minister of Agriculture a question in relation to the Casino Bill.

Leave granted.

The Hon. H.P.K. DUNN: The Minister, as the member who introduced the Bill, will be aware that since the passage of the Casino Bill through both Houses of Parliament concern has been expressed about the implication of clause 24, which prohibits any person from possessing or controlling a poker machine, whether in the premises of a casino or anywhere else. It has been put to me that there may be up to 10 000 private poker machines in use in South Australia and that people who have bought these machines for their own use may be disadvantaged as a result of the passage of the Casino Bill. I therefore ask the Minister, as the sponsor of the Bill, whether it is his intention to introduce an amendment to correct this apparent anomaly and, if so, when.

The Hon. FRANK BLEVINS: The Attorney-General has more detail. I do not mind his answering the question.

The Hon. C.J. SUMNER: Subject to the honourable member's concurrence, I would like to outline to the Council—

Members interjecting:

The Hon. C.J. SUMNER: It is not a Government matter. As honourable members know, the situation is that before the introduction of the Lottery and Gaming Act Amendment Bill in 1981 it was legal in this State to possess and use a poker machine, but it was illegal in this State to use a poker machine for gambling. As a result of a Bill that was introduced in 1981 to amend the Lottery and Gaming Act, it became legal to possess a poker machine, but illegal to use a poker machine in any way, for gambling or otherwise. In other words, it was illegal from 1981 onwards to use a poker machine in a non-gambling fashion, that is, just to put coins through or for the kids to play with it. That was made illegal in 1981 by a Bill introduced by the then Liberal Government.

The Casino Bill went further. It was introduced as a private member's Bill by the Hon. Mr Blevins, and it adopted the Bill which had been prepared by the select committee of the House of Assembly in 1982 and which included clause 24. It was specifically included in the Bill to prohibit not just the use but also the possession of poker machines. It had attached to it a $20 000 maximum fine.

The Bill that was introduced by the Hon. Mr Blevins included that clause, as it had been agreed to by the select committee. It was introduced, as I understand it, as a matter of the previous Liberal Government's policy. Mr Blevins, as I have said, adopted the select committee Bill.

Some concern has been expressed about this matter, as the Hon. Mr Dunn has said. There certainly seems to be some anomaly in the Bill as it was passed. I can indicate to the Council that the Government is prepared in this session to amend the Casino Act to apply the $20 000 maximum fine as a prohibition of poker machines to the casino only.

This would leave the law, if that amendment were passed, as it was in 1981, when there was a maximum $200 fine for anyone who used a poker machine for any purpose. The Government is prepared to do that, provided that there is an indication from honourable members opposite (that is, the Liberal Party and the Democrats) that there is support for that course of action in this Council and in the House of Assembly. In that case, of course, time could be made available to enable that to be done.

If there is not that agreement, clearly the matter cannot be considered during this period. Further, the Government, as I have indicated today, is prepared to receive representations on this issue from those people who were concerned about it. The amendment that I have foreshadowed, which the Government would be prepared to facilitate through the Parliament in the next two days if there was agreement from the other two Parties, would place the situation back as it was in 1981. It would still be illegal to use or gamble with a poker machine, but it would not be illegal to possess a poker machine.

The Hon. R.C. DeGaris interjecting:

The Hon. C.J. SUMNER: It may be. The Hon. Mr DeGaris may be right. We are prepared to receive submissions on other aspects of it. I am prepared to indicate to the Council now that the Government is prepared to do that provided that there is agreement from honourable members opposite on that point.

I want to make it quite clear that the Government does not support in any way the use of poker machines for gambling in this State, but it appears that there is some anomaly in the Bill that was passed. The Government is prepared to correct that anomaly, subject to the other Parties being in agreement, to apply the prohibition on poker machines specifically to the casino situation. I would be pleased to have discussions with honourable members about that matter.

DARWIN TO ALICE SPRINGS RAILWAY

The Hon. M.B. CAMERON: I seek leave to make a brief explanation before asking the Attorney-General a question about the Darwin to Alice Springs railway.

Leave granted.

The Hon. M.B. CAMERON: Honourable members would be aware that in the recent mini Budget the Federal Government announced that the Darwin to Alice Springs Rail link would not proceed unless the Northern Territory was prepared to contribute $200 000 000 to its construction. This is an amount of $20 per week per Northern Territory taxpayer for the next 20 years and, of course, means that it will be impossible for the railway to be built. It is also precedental, requiring a State or Territorial contribution to an obviously national project, just like the East-West railway.

It is essential for South Australia that the railway construction proceed. Indeed, South Australia will probably benefit more than the Northern Territory. The number of trains from Adelaide to Alice Springs has increased from one to eight. With a rail link extended from Alice Springs to Darwin, this position will improve, and South Australia has the potential to become the centre of trade with Asia through the port of Darwin.

In addition to requiring the $200 000 000 commitment from the Northern Territory, the Federal Government has said that if the railway proceeds $60 000 000 will be redirected from funds devoted to sealing the Stuart Highway. In other words, we would sacrifice one important trade link for another, despite the important trade and job creation benefits from proceeding with both.

Indeed, it is an insult to call the north-south track a highway. Stuart travelled north over a century ago, and the road along the unsealed section is little better than going cross-country, as he did then. Vehicle damage is high, reminiscent of a demolition derby; I personally did it last week, so I know exactly what its condition is.

Does the Attorney agree that the decision to require the Northern Territory to contribute $200 000 000 to the Alice Springs to Darwin rail link, in conjunction with a loss of $60 000 000 in funds to the Stuart Highway, indicates a disregard for the interests of South Australia and the Northern Territory? Does he also agree that it indicates a lack of commitment to a project that was formally agreed to by both State and Federal Governments by way of legislation; in other words, the Stuart Highway Improvement Scheme?

The Hon. C.J. SUMNER: I will obtain a reply for the honourable member.

The Hon. M.B. Cameron: I asked you the question.

The Hon. C.J. SUMNER: I am happy to reply, but there is insufficient time.

The PRESIDENT: Order! The Attorney-General can move for an extension of time.

The Hon. C.J. SUMNER: No, Mr President, the time for questions has already been extended by 15 minutes. I will reply tomorrow.

MANPOWER STATISTICS

The Hon. J.C. Burdett, on behalf of the **Hon. K.T. GRIFFIN** (on notice), asked the Attorney-General: In the light of the fact that the Public Service Board does collect monthly manpower statistics, and recognising that staff levels do fluctuate throughout a year:

1. What were the numbers of public servants in each Government department as at 6 November 1982?
2. What were the numbers of public servants in each Government department as at 28 February 1982 and 28 February 1983 respectively?
3. What were the number of teachers in the State education system as at 6 November 1982?
4. What were the number of teachers in the State education system as at 28 February 1982 and 28 February 1983 respectively?
5. What were the numbers of daily paid and weekly paid employees respectively in each Government department as at 6 November 1982?
6. What were the numbers of daily paid and weekly paid employees respectively in each Government department as at 28 February 1982 and 28 February 1983 respectively?
7. What were the number of employees in the Health Commission as at 6 November 1982?
8. What were the number of employees in the Health Commission as at 28 February 1982 and 28 February 1983 respectively?

The Hon. J.R. CORNWALL: On behalf of the Attorney-General, I give the following reply: the answer to an identical question from the Hon. K.T. Griffin on 10 May referred to the difficulty of comparing public sector employment levels from one month to another. That difficulty still remains, and the honourable member is again advised to wait until the programme estimate papers for 1983-84 are published so that a proper comparison can be made.

ASSENT TO BILLS

His Excellency the Governor, by message, intimated his assent to the following Bills:

Appropriation (No. 1),
Casino,
Industrial Relations Advisory Council,
Law Courts (Maintenance of Order) Act Amendment,
Medical Practitioners,
Motor Vehicles Act Amendment,
Senior Secondary Assessment Board of South Australia,
Supply (No. 1).

SURVEYORS ACT AMENDMENT BILL

Second reading.

The Hon. J.R. CORNWALL (Minister of Health): I move:

That this Bill be now read a second time.

It embodies the results of a minor review of the operation of the Surveyors Act undertaken by the Surveyor-General in conjunction with the Surveyors Board of South Australia to identify provisions which need strengthening or amendment to achieve the objectives of the Act.

The Surveyor-General and the Surveyors Board have advised that some amendments are necessary in order to ensure better protection of the public and maintenance of the State cadastral survey to the standard necessary for the proper support of the State's land boundary system. The areas of the Act which require amendment are those relating to the protection of survey marks, disciplinary control over registered and licensed surveyors, and the adequacy and appropriateness of penalties. In particular, the amendments proposed in this Bill are designed to correct the following deficiencies in the legislation:

1. The current enactment prohibits interference with survey marks regardless of whether or not they were placed by qualified persons and does not make provision for compensation for their replacement without further legal process. The Bill proposes amendments to limit the protection for survey marks to those placed by licensed and registered surveyors, and to empower a court, upon convicting a person of interfering with a survey mark, to award compensation for loss or damage resulting from commission of the offence.

2. At present a registered or licensed surveyor may continue practice in South Australia despite the fact that his registration or licence to practise as a surveyor in another State or in New Zealand may have been suspended or cancelled. The Bill proposes an amendment to permit the temporary suspension of his registration in South Australia once disciplinary proceedings have been instituted in South Australia for the same misconduct.

3. The Act currently empowers the Surveyors Disciplinary Committee to adopt for the purposes of disciplinary proceedings the findings of a court but not the findings of an interstate or New Zealand counterpart of the committee. The Bill proposes an amendment to allow the Disciplinary Committee to adopt the findings of a similar tribunal in another State or in New Zealand in relation to misconduct of a South Australian registered surveyor and thereby avoid the necessity for a complete re-hearing.

4. The provisions of the Surveyors Act require that offences under the Act be summarily prosecuted which in practice requires prosecutions to be launched within six months of an offence being committed. Experience has shown that offences against this Act are seldom disclosed until some time after their commission, and as field investigations are then normally necessary, insufficient time exists for proceedings to be commenced. It is therefore proposed to extend the available period for prosecution to a period two years after an offence is committed.

5. Occasions arise when survey marks are incorrectly placed by registered and licensed surveyors, and where marks are placed for the purposes of transactions which subsequently lapse. The presence of these marks may subsequently confuse the public and surveyors as to the correct position of land boundaries. At present the Surveyor-General has no clear authority to order the removal of such marks. The Bill therefore contains a provision authorising the making of regulations for this purpose.

6. The penalties currently prescribed are out of date in real money terms and in many cases do not reflect a correct relationship between the severity of offences. The proposed amendments increase the penalties to levels which more closely reflect the relative severity of offences and constitute a realistic deterrent.

In addition, the opportunity has been taken to include in the Surveyors Act a provision to relieve the Surveyor-General of the necessity to personally discharge and exercise in every case his statutory duties and functions under the principal Act and a number of other Acts. The Surveyor-General has many duties and obligations imposed on him by Statutes which in most cases do not include authority for the Surveyor-General to delegate any of those duties or obligations to officers or other persons under his direction. The absence of this facility restricts the flow of work through his office and consequently an amendment is proposed to authorise the Surveyor-General to delegate any of his discretions, powers or functions to persons under his supervision. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 provides that the measure is to come into operation on a day to be fixed by proclamation. Clause 3 amends the definition section, section 5 of the principal Act. The clause updates a reference to the Legal Practitioners Act. The clause also amends the definition of 'survey mark' by deleting the element of the definition that a survey mark is one that is in the prescribed form. This is necessary in order to ensure that the provision of the Act prohibiting interference with survey marks operates in relation to survey marks established in earlier times when the current form was not required. The Bill, at clause 14, contains a consequential amendment which will enable the form of survey marks to be prescribed by regulation for future purposes.

Clause 4 increases the penalty in section 25 for the offence of an unregistered person holding himself out to be a surveyor. The present penalty is a maximum of $500 and the clause proposes a new penalty of a maximum of $5 000. Clause 5 increases the penalty in section 26 for the offence of a person who is not a licensed surveyor or acting under the supervision of a licensed surveyor performing a prescribed cadastral survey. The clause increases the penalty from a maximum of $500 to a maximum of $5 000.

Clause 6 amends section 27 which sets out the grounds for disciplinary action to be taken against a registered surveyor. The clause amends the section so that it is clear that disciplinary action may be taken against a surveyor registered under the principal Act for an offence related to surveying or involving dishonesty committed outside South Australia and for professional misconduct that takes place outside South Australia. Clause 7 increases the maximum fine that may be imposed upon a registered surveyor by the Surveyors Disciplinary Committee from $500 to $5 000.

Clause 8 inserts a new section 34a which provides that where an inquiry is to be held into the conduct of a person outside South Australia and registration granted to that person under the law of the place in which the conduct took place has been suspended or cancelled, the board may suspend the person's registration under the principal Act pending the determination of the inquiry. Clause 9 amends section 36 of the principal Act which sets out the powers of the Surveyors Disciplinary Committee. The clause increases the maximum penalty for failure to obey a summons of the committee or misbehaviour before the committee from $200 to $2 000. The clause also amends the section so that the committee is empowered to receive in evidence a transcript of proceedings before not only, as at present, a court, but also any other tribunal or body constituted under South Australian law or the law of any other place. The clause also provides for the same extension of power in relation to the adoption by the committee of the findings of such bodies.

Clause 10 increases the penalty in section 40 for the offence of hindering or obstructing a registered surveyor or his nominee in the exercise of the right under the section to enter land for the purpose of conducting a survey. The clause increases the penalty from a maximum of $100 to a maximum of $1 000.

Clause 11 substitutes for section 41 a new section prohibiting interference with survey marks. The new section limits the protection for survey marks to those established by licensed or registered surveyors or by persons acting under the supervision or direction of such surveyors or the Surveyor-General. The new section also empowers a court convicting a person for such an offence to order compensation for loss or damage resulting from the commission of the offence. Clause 12 amends section 44 of the principal Act which provides for summary proceedings in respect of offences against the Act. The clause inserts a new provision providing that proceedings for an offence may be commenced within two years of the date of the alleged offence.

Clause 13 inserts a new section 46a providing that the Surveyor-General may delegate, and shall be deemed always to have been empowered to delegate, any of his powers, discretions or functions under any Act to a person holding or acting in an office or position under the supervision of the Surveyor-General. Clause 14 amends section 47 which provides for the making of regulations. The clause amends the section so that regulations may be made providing for the form of survey marks and for the removal of survey marks. The clause also increases the maximum penalty for an offence against the regulations from $200 to $5 000.

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

LIBRARY COMMITTEE

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

That the Library Committee have permission to meet during the sitting of the Council this day.

Motion carried.

TRAVELLING STOCK RESERVE: OODNADATTA

Consideration of the House of Assembly's resolution:

That portion of section 1184, north out of hundreds, set aside as a teamsters and travelling stock reserve as shown on the plan laid before Parliament on 8 December 1982, be resumed in terms of section 136 of the Pastoral Act, 1936-1980.

The Hon. J.R. CORNWALL (Minister of Health): I move:

That the resolution be agreed to.

Telecom Australia, through the Department of Administrative Services, has made application for a radio telephone site at Oodnadatta on which permanent facilities will be erected. The site chosen was thought to be entirely on section 1184, north out of hundreds; however, following survey, it was discovered that portion of the site (9 916m^2) intrudes on to section 1185, north out of hundreds, gazetted as a cemetery reserve. The actual portion of the cemetery used for burials is contained within a fence with a buffer to the outer boundary of the reserve. The resumption of portion of the buffer zone from the cemetery reserve has been completed and forms part of the new section 1295 which is being set aside for the radio telephone site.

The balance of the area required, 2.407 ha, is portion of section 1184, north out of hundreds, set aside as a teamsters and travelling stock reserve in *Government Gazette* of 14 October 1897. Following resumption of the total area (3.399 ha) and the creation of the new section 1295, the area will be transferred to Telecom Australia. The Pastoral Board has considered the proposal and has no objection to portion of the teamsters and travelling stock reserve being resumed. Approval has been given in principle to the above subject to the agreement of both Houses of Parliament. In view of the circumstances, I ask honourable members to support the motion.

The Hon. H.P.K. DUNN: This is a fairly straightforward motion which the Opposition supports. It is for the establishment of a radio telephone link, which is a most important part of an isolated community, and the resumption of that small buffer zone surrounding the cemetery reserve is a reasonable request. The member for Eyre in another place agrees with the request seeking the resumption of the area, and we look forward to the rapid building of that Telecom facility. The Opposition has no objection to the motion.

Motion carried.

TRAVELLING STOCK RESERVE: BALDINA

Consideration of the House of Assembly's resolution:

That the travelling stock reserve, sections 292, 293 and 294, hundred of Baldina as shown on the plan laid before Parliament on 5 October 1982 be resumed in terms of section 136 of the Pastoral Act, 1936-1980.

The Hon. J.R. CORNWALL (Minister of Health): I move:

That the resolution be agreed to.

Sections 292, 293 and 294, hundred of Baldina, are situated approximately 12 kilometres east of the town of Burra and contain an area of 87.20 hectares. The District Council of Burra Burra has written to the Department of Lands outlining problems which exist in relation to sections 244, 277/280, 282, 283, 286/288, 292, 293, 294 and 319, hundred of Baldina. These sections contain the travelling stock reserve and adjacent vacant Crown lands, all of which are subject to weed infestation, indiscriminate use by off-road vehicles, and access by campers to select areas of what is commonly known as 'Red Banks Reserve' (section 279, area 597.1 hectares). At present, the Government spends approximately $10 000 per annum on horehound control on these areas. 'Red Banks Reserve' is adjacent to a main road and is mainly flat country, one-third of which is covered by mallee scrub. The District Council of Burra Burra has advised that it will accept responsibility over the area and adjoining Crown land to control the weed problem and recreational activity. Following resumption of the travelling stock reserve, it is proposed to issue a miscellaneous lease over section 244, 277, 278, 279, 280 and 294, hundred of Baldina, to the District Council of Burra Burra for recreation and grazing purposes.

To also assist in the control of weeds on the balance of the land, it is proposed, following resumption of the travelling stock reserve, to issue miscellaneous leases for grazing purposes to the two adjacent owners over section 282, 286 and 293, hundred of Baldina and sections 283, 287, 288, 292 and 319, hundred of Baldina.

The travelling stock reserve has not been used for many years for driving stock and the land is fenced in with the adjoining properties. The Pastoral Board has no objection to the proposal and, on the recommendation of the Land Board, approval has been given in principle to the above subject to the agreement of both Houses of Parliament to the resumption of sections 292, 293 and 294, hundred of

Baldina. In view of the circumstances, I ask honourable members to support the motion.

The Hon. H.P.K. DUNN: Once again, the Opposition is not opposed to this motion. The sections in question are considerably larger than those dealt with in the earlier motion. The Minister said that $10 000 a year is spent on horehound control. However, the subject area is about 200 acres and this seems a large amount to be spent annually. Perhaps the expenditure of such a sum should have seen the horehound cleared up once and for all.

I agree with the idea of leasing the adjoining land to owners. These miscellaneous leases are a wise thing now that they are not being used. This condition was originally implemented because stock were shifted on foot. Most stock are now transported by road or truck, so there is little use for this provision. It is indeed an area of infection for horehound in surrounding areas. The United Farmers and Stockowners Association and the Pastoral Board are in agreeance about this matter and the member for Eyre has canvassed support and general agreement for it. Therefore, we support the motion.

Motion carried.

PAY-ROLL TAX ACT AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

Prior to the election last year, the Labor Party, then in opposition, gave an undertaking to raise the exemption level for pay-roll tax purposes to $160 000 and to increase it thereafter to $250 000 by the end of three years. As a first step which, in fact, went further than was necessary in honouring that commitment, the Act was amended late last year to raise the exemption level to $140 000 from 1 January 1983. The main purpose of this Bill is to incorporate in legislation the time table which the Government has set for that commitment to be honoured in full. Increases will take effect as from 1 July of each of the next three financial years, culminating in an exemption level of $250 000 for the year 1985-86. The cost of this measure, when fully effective, is expected to be about $10 500 000 per annum in dollars of the present day. In order to offset part of this very considerable cost, the Government has decided to abolish the minimum exemption of $37 800 and to allow the tapering of the exemption to continue until it reaches zero. This is expected to produce about $2 000 000 extra revenue per annum.

The most that this change will cost any individual employer will be $1 890 per annum and so it is difficult to see how it can have any effect on employment. The change will bring South Australia into line with New South Wales, Tasmania, the Australian Capital Territory and the Northern Territory. The other three States retain a minimum exemption level. The Government has also decided to abolish the pay-roll tax refund and exemption scheme introduced by the previous Government to encourage youth employment. Under the exemption arrangements, pay-roll tax is waived for extra full-time employees under 20 years of age where the firm's total workforce also increases while, under the refund arrangements, a $600 refund of tax is paid for one teenager employed and a $1 800 refund is paid for two or more teenagers employed, where an employer adds to the number of his employees.

Studies carried out by the Department of Labour indicate that, on average, companies achieve a reduction of less than 3 per cent in the unit labour costs of additional employees as a result of the scheme. Furthermore, where the companies concerned are profitable, 46 per cent of any saving goes to the Commonwealth Government as company tax, while the scheme is of absolutely no benefit to small employers who do not incur pay-roll tax. The initial allocation for the refund was $2 000 000 but expenditure in 1982-83 is expected to be about $230 000 only. The Government is therefore convinced that the scheme is not achieving its objectives and should be discontinued. The Government intends that the savings generated be used to promote youth employment by increasing the staff of Community Improvement Through Youth, establishing the Job Creation Unit, employing 50 extra apprentices in Government departments and establishing a training programme for the Self Employment Ventures Scheme. Consideration will be given to the introduction of these measures at the time the 1983-84 Budget is being formulated.

Community health and domiciliary care services provided from hospitals are exempt from pay-roll tax. Similar services provided in other ways (for example, by incorporated community health centres) are not exempted under the present provisions of the Act. In August 1982 the former Minister of Health initiated moves to have this anomaly corrected. She pointed out that the services provided were basically the same and suggested that the Pay-roll Tax Act had not kept pace with changes which had occurred in the delivery of health services. The Government accepts these arguments and has included provisions in this Bill to remedy the situation. The change will be retrospective to July 1982. There should be no net cost to the Budget.

During 1982, the Vice-Chancellor of Flinders University wrote to the former Minister of Industrial Affairs seeking an exemption from pay-roll tax in respect of wages paid to young people employed under a scheme known as Work Experience Training in Commonwealth Establishments (WETICE). The scheme is fully funded by the Commonwealth Government and is designed to provide work experience for young people in blocks of 17 weeks. Most of the institutions involved do not pay pay-roll tax because of their close association with the Commonwealth Government, but universities and colleges of advanced education are exceptions to this rule. They are, therefore, in the unfortunate position of being required to meet extra pay-roll tax costs if they wish to take advantage of the scheme.

Given the tight budgetary constraints under which tertiary education institutions are operating and the advantages offered by work experience programmes, the Government is prepared to exempt from pay-roll tax wages paid under this scheme by universities and colleges of advanced education. The loss of revenue in a full year is expected to be about $30 000. In December 1982, the Master Builders Association sought exemption from payment of pay-roll tax in respect of the wages of apprentices employed under the M.B.A. group apprenticeship scheme. There are at least three strong arguments in favour of granting the exemption:

- group apprenticeship schemes train young people who would not otherwise acquire a skill and so add to the stock of skilled tradespeople in the State.
- a considerable number of employees who hire apprentices from group schemes have annual payrolls which would not attract pay-roll tax under normal circumstances.
- the States of New South Wales, Victoria and Queensland all have a system of rebates or exemptions for group apprenticeship schemes.

The Government has therefore agreed to amend the Act to exempt from tax wages paid to an apprentice employed

under a group apprenticeship scheme. The cost to revenue is not expected to be significant.

The Kindergarten Union of South Australia has never registered as an employer under the Pay-roll Tax Act and has never been asked to pay tax. However, there is at present no legal sanction for this situation. Since child care centres and independent schools and colleges providing education up to and including secondary level are not liable for tax, it would be illogical to impose tax on employers who conduct kindergartens. Accordingly, the Government has decided to exempt the Kindergarten Union and any other employer who conducts a kindergarten, otherwise than for profit, from liability for tax. There should be no cost to revenue. I seek leave to have the detailed explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 provides for the commencement of the Act and in particular, by subclause (3) provides for the retrospective commencement of the provisions exempting health care centres from payment of tax. Clause 3 amends section 11a of the principal Act. Paragraph *(a)* amends the definition of 'minimum amount' to mean nought after 30 July 1983. The effect will be that after that date the minimum exemption level provided by section 11a will cease to exist. Paragraph *(b)* extends the definition of 'prescribed amount' to increase the maximum exemption in each of the next three years. The amounts specified are appropriate to monthly returns. When multiplied by 12 they give a little less than the annual exemptions specified later in the Bill.

Clause 4 amends section 12 of the principal Act. Paragraphs *(a)* and *(b)* provide exemptions to employers as described previously. New paragraph *(dab)* will exempt a group apprentice scheme run by an organistion that represents employers in a particular industry. Paragraph *(c)* adds a subsection to section 12 which will terminate the benefit given by subsection (2) in relation to young employees after 30 June 1983. Paragraph *(d)* provides a definition of 'health service' which includes in paragraph *(d)* a reference to domiciliary care services. Clause 5 amends section 13a of the principal Act which provides definitions for the annual averaging provisions in relation to individual employers. Subsection (2) sets out a complicated formula for the determination of the 'prescribed amount' and clause 5 amends the definition of certain elements of the formula so that the exemption levels promised by the Government will be achieved. The maximum exemption level for 1983-1984 will be $160 000, for 1984-85 it will be $200 000 and for 1985-1986 and thereafter it will be $250 000. The new amounts included in the principal Act by this Bill apply by reason of the formula for either the first half or second half of the year and therefore are half of the above stated amounts. The clause also reduces the minimum exemption level to nought.

Clause 6 makes consequential amendments to section 14 of the principal Act which provides the level of weekly wages above which a monthly return must be lodged. Clause 7 amends section 18k of the principal Act which provides definitions for the annual averaging provisions relating to group employers. The amendments correspond to those made to section 13a by clause 5. Clause 8 adds a subsection to section 56a of the principal Act which provides for refunds to taxpayers who employ young workers. The effect of the new subsection will be that the refunds will not be payable in respect of employment after 30 June 1983.

The Hon. M.B. CAMERON (Leader of the Opposition): Being a co-operative person, I am prepared to consider this matter forthwith. The former Liberal Government had an election policy commitment to immediately raise the exemption level for pay-roll tax purposes to $160 000 and progressively to $250 000 over three years. Subsequently, the then Opposition adopted this initiative making the same basic commitment and further committing to index the base exemption level of $37 800 in line with wage and salary increases.

This Government failed to immediately increase the exemption level to $160 000, as promised, going instead to $140 000 as of 1 January 1983. We support the increase of the maximum level to $160 000. This should benefit businesses by reducing costs and hopefully creating employment prospects. This legislation only partly meets the election commitments of the present Government. The Government promised to increase the base exemption level of $37 800 in line with wage and salary increases. We now see that the Government has gone back on its promise. This is yet another broken promise. The Government intends to abolish the minimum base exemption level of $37 800. The maximum cost to any employer is said to be $1 980, and the new initiative is expected to generate an extra $2 000 000 in revenue each year. This action is therefore little more than an increase in State taxes, at a time when the present Government has indicated that, during the period of the wages pause, it would not increase State taxes.

To try to say that this action is to offset loss of revenue is merely to hide from the fact that there will be an additional commitment over and above the promise that was made at the last election. It is an additional impost on employers and employees: it cuts our State's competitive edge considerably. The Government has offset the cost of its election promises by proceeding to abolish the minimum exemption level of $37 800, allowing the tapering of the exemption level to zero. If the Government was to meet its election promise honestly, it would lift the minimum exemption level of $44 200 in terms of the pre-election commitment.

The Government also intends to abolish the pay-roll tax refund and exemption scheme that was introduced by the Tonkin Government to boost youth employment. I do not accept the Government's statement that the scheme has not been effective: I believe that it was a good initiative, one that has led to some increase in youth employment. This action shows a total lack of commitment by the Government at this stage to the concept of increased youth employment.

Reluctantly, we support this Bill. It is a pity that the Government has shown once again the general trend of new Labor Governments throughout Australia in its lack of desire to meet election promises. In fact, there is almost a complete desire to break those election promises immediately Labor Governments get to office. We support the Bill.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Exemption from pay-roll tax.'

The Hon. ANNE LEVY: I move the following suggested amendment:

Page 2, after line 29—Insert the following paragraph:

(ab) by inserting in subsection (1) after paragraph *(ca)* the following paragraph:

(cb) by the Family Planning Association of South Australia Incorporated;

The amendment relates to exemption from pay-roll tax for community health centres, which are defined in paragraph *(d)*. The Family Planning Association is analogous to a community health centre. It is completely Government-funded, as are the community health centres, and obviously it is absurd that a Government should fully fund an organ-

isation and then take back some of the money as pay-roll tax. It becomes a book-keeping exercise only. It would be a fairly ludicrous situation. Paragraph *(d)* defines 'health service' as including all of the community health centres in South Australia, and involves the following:

(a) any service designed to promote health;
(b) any therapeutic or other service designed to cure, alleviate, or afford protection against, any mental or physical illness, abnormality or disability;
(c) any paramedical or ambulance service;
(d) the care of, or assistance to, sick or disabled persons at their place of residence;

or

(e) any prescribed service.

There was a question of whether or not this definition covered the Family Planning Association of South Australia Incorporated. On seeking legal advice, I found that the Parliamentary Counsel was unsure whether that definition would cover the Family Planning Association. To make the matter clear beyond all doubt, the Government agreed that it would be desirable to specifically mention the Family Planning Association in the same manner that the Kindergarten Union is mentioned as an organisation.

By inserting this paragraph indicating that the Family Planning Association is specifically exempt, there need be no legal query whether the association is covered by the definition of 'health service' under paragraph *(d)*. It is hoped that this will increase clarity and remove any doubt on whether the Family Planning Association is covered in the same way as are all the other community health services.

The Hon. M.B. CAMERON: I have not received a lot of notice of this amendment, but I have no serious objection to it. Obviously, the Hon. Ms Levy has obtained advice on this matter. I would have thought that the matter would be covered under new subsection (6) *(e)* which refers to any 'prescribed service'. Obviously, the advice received by the honourable member indicated that the association would not be covered. I have no objection to reference to the Family Planning Association. The honourable member may become the heroine of the association as a result of this amendment. I see no necessity for it, but I do not oppose it.

The Hon. ANNE LEVY: I agree completely with the point raised by the Leader of the Opposition. I expected that the Family Planning Association would be covered under new subsection (6) *(e)* which refers to any 'prescribed service'. Whether or not the Family Planning Association can be called a service is perhaps a fine point. I certainly sought advice.

The legal advice that I received was that people were unsure whether the Family Planning Association would be covered by the deed or not, so rather than allow the possibility of all sorts of legal argument arising in the future, it was felt better to designate it specifically in the same way as the Kindergarten Union is designated.

The Hon. M.B. CAMERON: We are certainly not going to oppose the amendment. Frankly, it is getting to the point of over-emphasis on a particular point, which we accept.

Suggested amendment carried; clause with suggested amendment passed.

Remaining clauses (5 to 8) and title passed.

Bill read a third time and passed.

SUPERANNUATION ACT AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

The Bill provides for a number of amendments to the principal Act—the Superannuation Act, 1974-1981. One of the amendments revises the structure of the Superannuation Board; the other amendments arose out of recommendations made by the Superannuation Board. The amendments have been developed after consultation with the Public Service Association and the South Australian Government Employees Superannuation Federation, both of which have concurred with the proposed amendments. Their purpsoe is to remove anomalies or improve the operation of the Act. Only two of the amendments could affect Government costs, and then to only a minor extent. These costs are mentioned in the following summary of the amendments.

Under the present Act, as soon as a contributor has been in receipt of a higher duties allowance for 12 months he must decide whether to elect to have that allowance taken into account for superannuation purposes. It has proved administratively very difficult to ensure, first, that contributors are aware of this provision and, secondly, that they understand the sometimes complex issues involved in deciding which way they should elect. The Bill provides for these allowances to be counted in calculating benefits in all cases where they were being received at (or just prior to) retirement or death and had been payable continuously for at least 12 months.

At present the spouse of a pensioner who married the pensioner after his retirement cannot qualify for a pension upon the pensioner's death. The Commonwealth Superannuation Fund, however, pays a spouse pension in these cases as long as the marriage existed for at least five years. The Bill provides that a spouse pension will be payable on the death of a pensioner, not only where the marriage occurred before retirement (the present arrangement), but also where a legal marriage occurred at least five years prior to the pensioner's death. This amendment will increase by a small proportion the number of spouses who qualify for a pension. On the basis of the very sparse statistics that are available in this area, the Public Actuary has estimated that the extra cost will build up gradually but will eventually approximate to about 0.4 per cent of the Government's total pension cost. The amendment makes the change retrospective to 1 December 1982.

In 1980, an amendment was made to the Act to allow for the cost of carrying out prescribed functions of the Superannuation Fund Investment Trust to be paid out of the fund. It was intended that the costs incurred in managing most investments of the fund should in future be borne by the fund rather than by the Government. A legal problem was encountered in putting this intention into effect; the Bill overcomes this problem.

The Superannuation Board at present consists of three members: one elected by the contributors and contributor pensioners, one being appointed by the Governor, with the other being the Public Actuary. In order to give contributors better representation on the board, the Bill enlarges the number of elected members to two. The Bill also increases by one the number of members appointed by the Governor. Furthermore, the Bill reduces the term of membership for new members from seven years to five years.

The Bill provides that the cost of medical examinations will be paid out of the fund. This will restore the position, as far as contributors are concerned, to that which applied up to two years ago when the Health Commission provided free examinations.

On entry to the fund, practically all contributors elect to contribute at the full rate to receive 'higher benefits'. However, a small minority of contributors elects to pay contributions at half the full rate to receive 'lower benefits'. At present, such an election, once made, cannot be reversed.

The Bill will allow a lower-benefit contributor an option each year of switching to higher benefits. This amendment will increase Government pension costs to the extent that transfers occur, but the effect will be relatively insignificant as only 3 per cent of contributors are on lower benefits and only a fraction of these are expected to transfer. The cost to the Government will remain less than it would have been if these contributors had originally opted for higher benefits.

The Bill allows a contributor to elect at any time to purchase additional benefits by way of increased fortnightly contributions. At present, such an election is available only at the time of joining the fund. This amendment will not affect Governments costs, as the whole of the cost of such additional benefits is financed by the contributor.

Under the present Act, a contributor pensioner or spouse pensioner may, within a limited period after the commencement of that pension, commute up to 30 per cent of the basic pension for a lump sum payment. The Act presently provides that the commutation rate (that is, the amount of the lump sum receivable for each dollar of pension given up) shall be determined by the Public Actuary, and effectively requires him to keep that rate under continuous review in the light of changes to relevant factors. The most dominant factor in the actuarial determination of a commutation rate is the current rate of interest, and the recent highly volatile nature of interest rates has caused considerable practical difficulties and uncertainty. The Bill provides that commutation rates will be determined by the Public Actuary once a year. On the 31 March prior to any financial year, the Public Actuary will fix rates which will apply to all pensions commencing during that financial year. The Bill provides that the interest rate used by the Public Actuary will be the rate applying to investments of a prescribed class as at the preceding 24 March. It is intended that the class which will be prescribed will be 10-year private semi-government loans. These changes will allow contributors to plan their financial position on retirement with more certainty.

Membership of the provident account is available to the very small proportion of employees whose state of health is such as to exclude them from contributing to the fund. At the present time the anomalous position exists that a retiring provident account member must take a lump sum if he retires under age 60 and must take a pension if he retires at 60 or over. The Bill provides that a member of the provident account retiring at any time on the grounds of age will have the option of receiving a pension or lump sum benefit. The Bill also corrects some figures and removes some obsolete references. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 provides that the measure, apart from clause 3 *(c)*, is to come into operation on a day to be fixed by proclamation, but that the operation of specific provisions may be suspended by the proclamation. Clause 3 *(c)* (which alters the definition of 'spouse') is to be deemed to have come into operation on 1 December 1982.

Clause 3 amends the definition section (section 5). Paragraph *(a)* of the clause amends the definition of 'final salary'. This definition fixes the amount of the salary of a contributor by reference to which the amount of pension is determined. Under paragraph *(a)*, remuneration of a class prescribed by regulation (such as a higher duties allowance that has been paid for a stipulated period) may be treated as salary for the purposes of arriving at the amount of 'final salary'. Paragraph *(b)* of the clause removes from the definition of 'prescribed deduction' the reference to a lump sum paid under section 45 during the period of five years preceding the pension vesting day of a commutable pension. As a result of this amendment the amount of pension that may be commuted will not be reduced by the amount of a lump sum paid for the purchase of contribution months during the five years preceding the commencement of the pension. Paragraph *(c)* of this clause amends the definition of 'spouse'. Under the amendment, a person who is lawfully married to a pensioner at the death of the pensioner and who was married to the pensioner before he commenced to receive the pension or has been married to the pensioner for not less than five years preceding his death will qualify for a spouse's pension. At present, in order to qualify for a spouse's pension upon the death of a pensioner a person must be married to the pensioner and have been married to the pensioner before he became a pensioner.

Clause 4 amends section 6 by removing obsolete references. The clause is of a drafting nature only. Clause 5 amends subsection (1a) of section 10 of the principal Act, which was designed to enable certain costs associated with the operations of the South Australian Superannuation Fund Investment Trust to be met by payments from the South Australian Superannuation Fund. The clause rewords this provision to make it clear that such payments may be made in relation to the cost of any services and facilities of a class to be prescribed by regulation employed by the trust in the performance of its functions.

Clauses 6, 7 and 8 effect changes designed to enable the membership of the South Australian Superannuation Fund Board to be increased from three members to five members, the two new members to comprise one further appointee of the Governor and one further elected representative of contributors and contributor pensioners. The term of office of appointed and elected members is also changed from seven years to five years.

Clause 9 makes amendments to section 26 that are consequential upon the proposed increase in the membership of the board. Clause 10 amends section 43 of the principal Act, which provides for the acceptance of employees as contributors to the Superannuation Fund. Under that section, an employee may be required by the board to undergo a medical examination. The clause provides that if the employee commences to contribute to the fund or the provident account he shall be entitled to be reimbursed by the board for the cost of the medical examination.

Clause 11 amends section 45 of the principal Act, which entitles a contributor to increase the benefits that he may obtain under the scheme by purchasing contribution months either by the payment of a lump sum or the making of fortnightly contributions. Under the present section, an election to purchase contribution months must be made near the beginning or the end of the period during which a person makes contributions to the fund. Under the clause, this time limitation will cease to apply to an election to purchase contribution months by the making of fortnightly contributions. The clause also clarifies several matters relating to the purchase of contribution months that are of a procedural nature only.

Clause 12 inserts a new section 57b to enable a lower benefit contributor to obtain higher benefits under the scheme. Under the clause, a lower benefit contributor may at any time elect to double the level of his future contributions, thereby raising the level of his future benefits to one that, depending upon the period for which he may continue to make contributions to the fund, equals or approaches the level of benefits of a higher benefit contributor. Under the clause, the board may reject an election upon medical grounds, in which case the contributor may, under clause 18, make contributions to the Provident Account or, under section 65, contribute for limited benefits. Clause 13 amends section 64, which enables a contributor

who suffers a reduction of salary to continue to make contributions at the level at which they would have been if he had not suffered the reduction. The clause amends this section so that it will not apply in the case of a reduction of salary of a kind prescribed by regulation.

Clause 14 amends section 65 which provides that an employee who is refused acceptance as a contributor to the fund upon medical grounds may instead contribute for limited benefits. The section provides, in subsection (2), that an employee who contributes under the section is not entitled to any pension or benefit under the Act other than a pension or benefit arising under that section. The clause amends the limitation imposed by subsection (2) so that it applies only in relation to contributions paid under the section. This amendment is consequential upon the proposal to permit a contributor who makes an election under proposed new section 57b, where that election is rejected by the board, instead to make contributions under section 65.

Clause 15 amends section 75 which provides for commutation of a pension by a contributor pensioner. The section presently provides that the amount payable upon an election to commute part of a pension is to be determined by the Public Actuary. The clause amends the section so that it sets out the framework under which such a determination is made. Under the clause, the amount payable by way of commutation is to be determined by reference to commutation rates which are to be determined by the Public Actuary on 31 March in each year. These commutation rates are, under the clause, to be based upon mortality rates which are to be revised by the Public Actuary, if necessary, on 30 September in any year and upon the relevant rate of interest applying on the 24 March preceding the determination of the commutation rates. The rate of interest is to be determined by reference to loans of a class prescribed by regulation.

Clause 16 amends section 76, which provides that the board may require an invalid pensioner to satisfy the board as to the state of his health by undergoing a medical examination. The clause amends this section so that it provides that the cost of any such medical examination is to be met by the board.

Clause 17 amends section 84, which provides for commutation of the spouse's pension. The amendment corresponds in all respects to the amendment made by clause 15 in relation to commutation of the pension of a contributor pensioner. Clause 18 substitutes for sections 100, 101 and 102 new sections 100 and 101 relating to the Provident Account. Under the present provisions an employee may contribute to the provident account if he has been refused permission to contribute to the fund. This right is continued under the new section 100, but also extended to a contributor who has made an election to obtain higher benefits under new section 57b where that election has been rejected by the board and the contributor is not permitted to make contributions under section 65.

Under the present sections, where a person has been contributing to the Provident Account and subsequently satisfies the board as to the soundness of his health, or attains the age of retirement (that is, 60 years), the person is automatically treated as if his contributions to that account had instead been contributions made as a contributor to the fund. Under new section 101, contributions made by a person to the provident account are treated as if they had been contributions to the fund if the person satisfies the board as to the soundness of his health or, having attained at least the early retirement age (that is, 55 years), he retires and elects to take the benefit of the section.

Clause 19 inserts a new section 130a, which empowers the board to rescind a decision made by it as a result of the failure of a person to disclose a material matter relating to the state of his health. Under the new section, where the board rescinds such a decision, the board may recover any amounts paid to or in relation to the person as a result of the decision and is required to refund amounts that it has received from the person as a result of the decision.

Clause 20 amends section 139, the regulation-making provision of the principal Act. The clause adds a further power to make regulations providing for the refund of a prescribed part of contributions paid into the fund and prescribing the circumstances in which such refunds are to be payable. Clause 21 makes two minor corrections to the figures set out in the thirteenth schedule.

The Hon. L.H. DAVIS: I indicate that the Opposition supports these minor amendments to the Superannuation Act of South Australia, but the passage of this Bill through this Council gives us an opportunity to reflect on retirement benefits as they currently exist in Australia and, in particular, in South Australia.

The current debate on pensions for the aged and retirement benefits for employees and the self-employed deserves more than a knee-jerk action. It is a subject that must be addressed by Federal and State Governments, employers and employees, employer groups and unions and financial and social welfare experts.

Over the past two decades Australia has lacked a consistent and rational approach to the question of how best to fund retirement benefits and the scope and nature of those benefits. We have also failed to grapple with how best to integrate occupational superannuation with the age pension and the more difficult matter of a national superannuation scheme. Sir Robert Menzies forcefully advocated a contributory national superannuation scheme with a pension benefit in 1938, 1946, 1949, 1954, and again in 1958. In 1972 the then Federal Treasurer, Mr Billy Snedden, alluded to the desirability of such a scheme. Professor Keith Hancock presided over a committee of inquiry into national superannuation in 1975-76, and the Asprey, Williams and Campbell committees have also made recommendations affecting superannuation schemes and retirement benefits. The Labor Party policy favours the introduction of a national superannuation scheme.

Sadly, perhaps the most significant thing that can be said about superannuation statistics is the lack of them. But what can be said with confidence is that over the past decade there has been a dramatic increase in the number of people in superannuation schemes. In 1974 only 32 per cent of the work force was in a superannuation scheme. In 1979 a survey by the Australian Bureau of Statistics revealed that 42 per cent of the work force had retirement benefits. Some industry groups see a heavy participation in superannuation—for example, 77 per cent of persons engaged in the communication industry, and 75 per cent of those in public administration. In sharp contrast, only 14 per cent of those engaged in agriculture had provided for retirement benefits.

Although no recent figures are available it would appear that close to 50 per cent of the work force could be contributing to a superannuation scheme—a significant increase on the 32 per cent in 1974. Only five years ago who would have believed the A.C.T.U. would be leading the charge against a Federal Labor Government seeking to tax lump sum retirement benefits? The reason is pretty clear. Superannuation is no longer the province of public servants, white collar workers and the self-employed. In recent years many blue collar workers have joined funds. For example, the Storemen and Packers Union has established the Labor Union Co-op Retirement Fund. It now has assets of close to $4 000 000, compared with $2 500 000 a year ago. Also, the discrimination against women becoming members of funds has been sharply reduced.

The significant increase in membership of superannuation funds is encouraging—it provides not only greater security for persons on retirement but also a valuable pool of long-term investment capital. It also provides a ray of hope for the future. Australia, as is the case with other Western countries, will experience a sharp increase in its aged population (that is, the age group 65 years and over). In the 1980s our aged population is projected to have an annual growth rate of 2 per cent per annum, almost double the 1.1 per cent per annum growth rate for the total population. By the end of this century the number of people over 60 will have increased by far more than 50 per cent. The so-called 'greying' of Australia's population is also assisted by the fact that the 60 year-olds of today can expect to live on average a full year longer than 60 year-olds only a decade ago—and continued advances in medical science suggests this trend will continue in the immediate future.

But people are not only living longer—they are retiring earlier. Whereas in 1966 four in five men (80 per cent) in the 60 to 64 age group were still working, that figure has now fallen to one in two (50 per cent). The Australian Bureau of Statistics has projected this growth in the aged population through to the year 2021. I seek leave to incorporate in *Hansard* without my reading it a statistical table in relation to the over 65 age group.

Leave granted.

Aged Population

Year	Over 65 Age Group as a Percentage of Total Population. per cent
1971	8.43
1981	9.75
1991	11.19
2001	11.52
2011	12.33
2021	14.92

Source: Australian Bureau of Statistics.
Series 'C' Projections.

The Hon. L.H. DAVIS: We should be comforted by the fact that 15.6 per cent of Japanese are expected to be over 65 by the turn of the century, some 16 per cent of Sweden's population is currently over 65, and several European countries now have more than 12 per cent of population in the over 65 age group.

As Australia turns grey, the financial accounts will be plunged into the red. In fact, it is already happening. Annual age pension payments have increased from $594 000 000 to $4 600 000 000 over the past 10 years. Even after allowing for inflation that represents almost a doubling of expenditure in real terms. Twenty eight per cent of Federal Government spending is now in the area of social security, and 40 per cent of that spending is on age pensions.

About 90 per cent of all Australians over the age of 65 years receive the age pension or some other form of pension. This figure increased following abolition of the means test for pensioners aged 75 and over in 1973, the abolition of the means test for pensioners aged 70 to 74 in 1975, and the replacement of the means test by an income test in 1976. I have often heard people approaching retirement age say they intend to qualify for the age pension. 'I've paid my taxes, I'm entitled to get them back!' is a common view. Like so much in life, the reality is swept under the rug, and the myth perpetuated.

Dixon and Foster in the *Australian Quarterly,* Autumn 1982, examined the relationship between the amount of age pension benefit received by a worker on average weekly earnings and the amount of income tax paid over a working life by that worker. They concluded that married taxpayers, with or without children, would receive substantially more in pension benefit than they would pay in taxes, and that single taxpayers would receive less. However, unfortunately, they did not attempt to estimate what proportion of personal income tax is devoted to social security outlays or what proportion of those outlays is spent on age pensions or what proportion of personal income tax is of total taxation receipts. However, I have attempted a rough calculation. In round figures social security outlays represent 25 per cent of all Government outlays. Age pensions represent 40 per cent of social security outlays and personal income tax represents 50 per cent of all taxation receipts.

Therefore, it can be said that 25 per cent of 40 per cent (or 10 per cent) of Government outlays is spent on aged pensions and that the value of taxes paid by any pensioner towards that pension should be reduced to 10 per cent of total taxes paid. However, as only 50 per cent of Government revenue comes from personal taxation, the 10 per cent should be multiplied by two to obtain the 'real' personal taxation contribution to age pensions. In the example given by Dixon and Foster of a married taxpayer with two children, it is assumed that taxation money set aside to finance an aged pension earned a real interest rate of 2 per cent per annum during the taxpayer's 40-year working life. The tax contribution towards the age pension is 20 per cent of $55 000, or $11 000. On this admittedly rough calculation it would take only approximately two years for a married age pensioner to receive his tax contributions back in benefits. I return to my opening comment. It is all too common in Australia to adopt *ad hoc* solutions to important social and economic problems. Sir Mark Oliphant attempted to explain a possible reason for this when he observed:

> A pioneering people were transformed rapidly by the gold rushes into a nation obsessed with the desire for quick riches, and the good life, with the minimum of personal effort. Pursuit of these goals has led to . . . neglect of long-term goals by individuals and by the Governments they have elected.

Therefore, in summary, we have 90 per cent of the aged population currently in receipt of some form of Government pension, although this figure can be expected to fall with the reintroduction of an income test for pensions for persons 70 years and over. We have also seen a rapid increase in the number of employees and self-employed with superannuation.

There have been recent improvements to both the taxation benefits and permissible lump sum retirement benefits for the self-employed. Unfortunately, there has been some abuse of lump sum superannuation schemes—for example, the loan-back arrangement which has been curtailed in recent times. As C.J. White, a consulting actuary, was moved to observe in a paper 'History of and Trends in Superannuation Scheme Design in Australia' in *Accounting Forum,* March 1983:

> In the middle of all this cut and thrust, move and counter move, sits the genuine superannuation scheme, with its relatively simple objective of making adequate financial provision for its members' retirement or prior death. It almost reminds me of peasants trying to farm during a guerilla war.

Australia is one of very few Western countries where the most common retirement benefit is by way of lump sum. That of course is especially true of private sector superannuation schemes. In June 1980, *Super Funds,* the journal of the Association of Superannuation Funds, printed the results of a wide-ranging survey of superannuation funds. It reported that in 83 per cent of cases private funds paid retirement benefits by way of a lump sum, or by lump sum following full commutation of a pension. The figure for Government funds was only 44 per cent.

Thirteen per cent of retirees elected to take a pension only from Government funds (in private funds, only 4 per

cent took a pension only). Thirty-nine per cent retiring from Government funds elected to take a mix of lump sum (by commuting part of the pension) and pension. In private funds only 13 per cent chose the lump sum pension mix. The reason for this significant variation is simple. Most private sector funds only provide for a lump sum retirement benefit. Such a scheme is a less expensive means of providing a retirement benefit and is simpler and cheaper to run.

Also, private funds with provision to fully commute a pension have noted a strong trend in recent years in favour of this option. High interest rates, the increased availability of appropriate investments for retirees, the attraction of a large lump sum, and the increased leisure opportunities for retirees are some of the more obvious reasons for this trend, apart from the well-publicised concept of 'double dipping'. On the other hand, as at June 1980, 65 per cent of Government funds in Australia had full cost of living adjustments for pensions whereas only 1 per cent of private sector funds had full indexation.

And so, in Australia, we have almost reached the rather absurd position of having largely lump sum benefits for the private sector, and indexed pension, or indexed pension/lump sum payments for the public sector. Quite obviously, the recent proposals to tax lump sum payments unless they are converted to a pension or annuity are designed to bring about a greater uniformity in retirement benefits and, perhaps more importantly, over time moderate the increase in age pension payments. The lump sum benefit is attractive in the sense that it is money in the hand and can be split with a spouse and/or children to minimise taxation. However, this attraction masks the truth as revealed by the Hancock Committee of Inquiry; namely, that if one converted promised benefits in the public sector to present values it would suggest that taxpayers were effectively adding 20 per cent to 30 per cent as a fringe benefit to the salaries of public servants.

The point can be put another way. A confidential actuary's report this March showed the Victorian State Superannuation board scheme was costing three times more than a typical private sector superannuation scheme. Honourable members may recollect that the Hon. Mr Laidlaw, on more than one occasion, expressed concern at the cost of the South Australian Superannuation Fund. I share that concern. The fact is that the South Australian Superannuation Fund is open-ended: it is unfunded. It is gobbling up taxpayers' money at the speed of a roller coaster.

In 1978-79, the State Government paid out $22 900 000 in pension benefits. The 1982-83 Budget estimate is for that figure to almost double at $44 000 000! At the end of 1978, just over four years ago, the Public Actuary estimated that the cost of the scheme to Government for the year ending 30 June 1988 would be $57 000 000. However, I believe the superannuation fund will be costing the Government and the taxpayers of South Australia $57 000 000 in 1984-85—three years earlier than forecast only 4½ years ago. I seek leave to have a table of a purely statistical nature inserted in *Hansard* without my reading it.

Leave granted.

Table I
SOUTH AUSTRALIAN SUPERANNUATION FUND

	1973-74 $'000	1974-75 $'000	1975-76 $'000	1976-77 $'000	1977-78 $'000	1978-79 $'000	1979-80 $'000	1980-81 $'000	1981-82 $'000	1982-83 $'000
Pension and Supplementation Payments By—										
State Government	6 618	10 336	14 637	14 585	18 421	22 909	26 902	31 887	37 435	(Budget
Commonwealth Government*	—	—	—	—	1 901	6 193	7 306	8 666	10 011	Estimate)
Public Authorities	284	483	736	6 385	5 431	1 746	2 134	2 657	3 400	44 000
Other	—	—	—	—	—	—	8	35	55	
	6 902	10 819	15 373	20 970	25 753	30 848	36 350	43 245	50 901	
	(71%)	(79%)	(81%)	(82%)	(84%)	(85%)	(86%)	(85%)	(86%)	
Fund	1 812	2 928	3 660	4 580	4 955	5 363	5 801	7 372	8 309	
	(29%)	(21%)	(19%)	(12%)	(16%)	(15%)	(14%)	(15%)	(14%)	
Total Pension and Supplementation Payments	9 714	13 747	19 033	25 550	30 708	36 211	42 151	50 617	59 210	
Per cent Increase in Pension Payments		42%	38%	34%	20%	18%	16%	20%	17%	
Made up of										
Basic pension	9 159	10 603	13 661	17 611	19 874	22 988	26 387	30 792	35 182	
	(94%)	(77%)	(72%)	(69%)	(65%)	(63%)	(63%)	(61%)	(59%)	
Supplementation	555	3 144	5 372	7 939	10 834	13 223	15 764	19 825**	24 028**	
	(6%)	(23%)	(28%)	(31%)	(35%)	(37%)	(37%)	(39%)	(41%)	
	9 714	13 747	19 033	25 550	30 708	36 211	42 151	50 617	59 210	
Commutation (Paid by Fund)	—	1 151	1 400	2 189	3 984	6 086	6 086	10 970	6 145	
Fund Investments (Value at 30 June)	89 728	96 710	107 881	120 882	136 719	154 320	175 958	198 164	229 810	
Income Received	5 575	6 624	7 822	9 395	11 236	12 868	15 102	18 619	23 540	
Contributions Received	7 030	6 704	8 989	12 398	13 997	16 166	18 122	20 298	22 634	
Number of Contributors	18 682	18 674	19 572	20 788	21 714	21 927	22 094	22 024	21 744	
Number of Pensioners	6 915	7 277	7 612	7 903	8 146	8 441	8 797	9 195	9 496	
Annual Cost of Living Adjustment to Supplementation payments	—	15.27%	18.19%	11.77%	14.82%	7.61%	8.2%	10.97%	8.81%	

*Following the transfer of country railways to the Commonwealth a portion of pensions of former railway employees is met by the Commonwealth Government.

**The fund contributed towards the cost of supplementation for the first time in 1980-81—[$'000. 1980-81, $959. 1981-82, $1 475].

Source: Auditor-General's Reports, 1974-82. South Australian Superannuation Board Annual Reports, 1974-82. State Budget Estimates of Payments, 1982.

The Hon. L. H. DAVIS: This table is self-explanatory. It shows the dramatic increase in State Government payments for pension and supplementation benefits. The fund currently has nearly 22 000 contributions, and at 30 June 1982 there were 9 496 retirees from departments and public authorities receiving pension benefits. The State and Commonwealth Governments now pay 86 per cent of pension and supplementation benefits and the fund only 14 per cent. Supplementation payments cover the annual cost of living adjustments to the pension. This figure has steadily increased and now represents 41 per cent of total payments. The fund pays all commutation of pensions; retirees can elect to commute up to 30 per cent of their pension and receive a lump sum and a corresponding lower annual but nevertheless fully indexed pension.

Even if one takes into account the commutation payment of $6 145 000 in 1981-82, the fund still only provides 22 per cent of total payments, compared with the State and Commonwealth Government payment of 78 per cent. That is, the ratio of Government (employer) payment to fund (employee) payment is 3.5 to 1.0. Compare that with a typical private superannuation scheme where the employer/employee contribution ratio is 2 to 1. I seek leave to have a table of a purely statistical nature inserted in *Hansard* without my reading it.

Leave granted.

Table 2
RETIREMENT BENEFITS
PUBLIC SECTOR V. PRIVATE SECTOR

State Public Servant		Private Sector Employee	
Retiree has two options—an annual pension fully indexed each year for cost of living adjustments or Commute 30 per cent of benefit and take lump sum plus indexed pension. At age 60 benefit is based on 66.79 per cent of final salary. At age 65 benefit is based on 73.3 per cent of final salary.		Over 80 per cent of private sector employees take a lump sum benefit. The example assumes a better than average retirement benefit scheme—namely 17½ per cent times the average of the past three years annual salary for each year of service.	
Retiring Salary $17 000			
Retiring at age 60	Retiring at age 65	Retiring at age 60	Retiring at age 65
Annual pension $11 330 or Annual pension $7 940 Plus lump sum $19 690	Annual pension $12 460 or Annual pension $8 730 plus lump sum $20 040	Lump sum $89 250 (17.5 per cent x 30 years' service x $17 000 (Annual pension equivalent $8 925)	Lump sum $89 250
Retiring Salary $30 000			
Annual pension $20 000 or Annual pension $14 000 plus lump sum $34 840	Annual pension $21 990 or Annual pension $15 415 plus lump sum $35 330	Lump sum $157 500 (Annual pension equivalent $15 750)	Lump sum $157 500
Assumptions			
Both have been employed for 30 years. During their working life contributions to their superannuation fund are identical.			

The Hon. L.H. DAVIS: This table is quite explicit. In fact, in selecting a private scheme with a retirement benefit of 17½ per cent, the average of the last three years annual salary for each year of service, I have chosen an above-average benefit level. The June 1980 *Super Funds* survey showed that 50 per cent of private funds have benefit levels less than 15 per cent times average annual salary and 40 per cent of private funds have a benefit level between 15 per cent and 20 per cent of average annual salary.

It is true that in the initial one or two years the recipient of the lump sum payment, by investing in fixed interest securities and splitting his lump sum with a spouse, can achieve a higher net income after tax, but full indexation of the pension quickly tips the scale in favour of the retired public servant. Furthermore, a man aged 60 on average will live another 17 years and a woman 20 years. Indexation of the Public Service pension will invariably widen the income gap between the retired public servant and the retired private sector employee.

There are some remarkably generous provisions in the South Australian Superannuation Fund. For example, if, say, a pensioner dies at any time after retirement, his or her spouse is entitled to two-thirds of the full pension to which the deceased was entitled on retirement, although the deceased may have commuted 30 per cent of the pension. To use table 2, a person on a final salary of $30 000 could retire on an annual pension of $20 000 or an annual pension of $14 000, plus a lump sum of $34 840. If that person elects to take the $14 000 pension and $34 840 lump sum and thereafter dies, the spouse is entitled to a pension of two-thirds of $20 000, that is, $13 333, just under the initial benefit of $14 000, and this in turn can be commuted. It seems an extraordinarily generous provision given that there is one less person to provide for.

Currently, the fund pays all commutation; that is, where retirees have elected to commute up to 30 per cent of their pension and take it as a lump sum benefit, the fund also is required to pay only 28 per cent of the cost of basic pensions, and only 6½ per cent of the supplementation (the annual cost of living adjustment to basic pensions).

The Public Actuary in his last triennial review for the three years to 30 June 1980 stated that after making assumptions regarding salary increases and cost of living movements the contribution rates were more than adequate to provide the benefits currently met out of the fund. That was reassuring news, but the fact is that the State Government's, and therefore taxpayers', payments to this fund since 1981 have continued to balloon. The 1982-83 Budget estimate as noted in my earlier table No. 1 provides for a payment of $44 000 000 000, about 18 per cent in advance of the payment for 1981-82.

This can be illustrated in another way, namely, by examining total State pensions, including judges, Parliamentarians and other State employees in funds other than the South Australian Superannuation Fund, and relating these payments to total Government recurrent payments. The follow-

ing table provides this information. I seek leave to have another table of a purely statistical nature inserted in *Hansard* without my reading it.

Leave granted.

Table 3
STATE GOVERNMENT PENSIONS AND RECURRENT PAYMENTS

Financial Year	Pensions ($'000)	Total Government Recurrent Payments ($'000)	Per Cent Pensions Total Payments
1973-74..	7 590	645 368	1.2
1974-75..	11 229	820 601	1.4
1975-76..	16 006	1 034 698	1.5
1976-77..	16 506	1 183 180	1.4
1977-78..	20 857	1 192 063	1.7
1978-79..	25 954	1 258 252	2.1
1979-80..	30 442	1 384 589	2.2
1980-81..	36 225	1 554 884	2.3
1981-82..	42 292	1 766 772	2.4
1982-83..	49 179 (Budget/Estimate)	1 925 889 (Budget/Estimate)	2.6

Source: Financial Statement of the Premier and Treasurer August 1982. Appendix 5.

The Hon. L.H. DAVIS: The table illustrates dramatically the point that I am making. There has been a continuing increase in total pension payouts as a percentage of total Government recurrent payments to the point that they now represent 2.6 per cent of total recurrent payments; 90 per cent of these pensions are paid under the umbrella of the South Australian Superannuation Fund. I feel it is necessary to make a brief comment on the Parliamentary Superannuation Scheme.

There is general perception in the community that it provides very generous benefits. However, it is not generally realised that the annual contribution rate to the fund is 11½ per cent, double the average contributions in the South Australian Superannuation Fund. Moreover, the vagaries of political life mean that some people will resign from a secure job to become members of Parliament but suffer defeat at an election before they qualify for a pension. In fact, at the 1979 and 1982 State elections seven House of Assembly members lost their seats before qualifying for a Parliamentary pension. It is difficult to balance off the uncertainty, responsibility and pressure of a Parliamentary career against the tenure and certainty of a career in the Public Service when discussing retirement benefits. However, a perusal of the Parliamentary superannuation scheme would indicate that the members contribute a greater percentage of pension payments than is the case with the South Australian Superannuation Fund. Nevertheless, I do accept that pension benefits should not be excessive and that the scheme should be closely monitored.

Superannuation benefits for persons employed by the State Government were introduced in 1927. Continual improvements were made to the scheme. Prior to the Superannuation Act of 1974 basic pension costs were split as follows: fund 30 per cent and Government 70 per cent. To compensate for movements in the cost of living, *ad hoc* amendments were made to the Act. The cost of pension supplements were split as follows: fund 50 per cent and Government 50 per cent. The S.A. Public Service superannuation scheme was substantially upgraded by the Dunstan Labor Government in 1974, and subsequent amendments have offered further minor improvements or corrected anomalies in the scheme. However, I have heard no-one argue against the proposition that it is arguably the most generous Public Service superannuation scheme in Australia, certainly superior to any private sector superannuation scheme catering for a reasonable number of employees, and indeed some people would argue that they have not yet come across a more generous retirement benefit scheme anywhere in the world.

The Hon. R.C. DeGaris: It is not quite as good as the Commonwealth fund.

The Hon. L.H. DAVIS: That can be debated. There are aspects of the Commonwealth scheme that are more attractive than the State scheme—it depends on the retirement benefit. I would stress three points: firstly, I am not public sector bashing; secondly, I am not criticising the competence of the Public Actuary, Mr. Weiss, in any way (he has obviously helped to produce the South Australian Superannuation Board annual report with commendable alacrity); and, thirdly, a perusal of the fund's investments would suggest that they are sound, although, quite frankly, I have not had the opportunity to measure the performance of the fund itself. Quite clearly the assets of the funds have to return an income at a rate at least commensurate with inflation.

The Public Actuary is required to produce his triennial report as at 30 June 1983. I would hope that this report clearly sets down projected State Government payments to the fund over the next two or three years. It would seem desirable to have some indication as to whether State Government payments as a percentage of total pension and supplementation payments are expected to continue rising, and, if so, for how long, and at what rate.

In September 1980, the Public Actuary decided that the upward movement in interest rates had been so significant since being reviewed in 1978 that commutation rates had to be reduced. These reductions, in the range of 16 per cent to 21 per cent, came into effect for those retiring during the year commencing 1 July 1982. In answer to a question in another place on 24 March 1982, the then Treasurer stated, 'Future commutation rates will, as explained, depend on future interest rates. It may be expected that in due course interest rates will fall and, at that time, commutation rates will increase.' In fact, interest rates have fallen and are expected to continue falling over the next 12 months. This could provide an early opportunity to review existing benefit levels. However, I have demonstrated that this superannuation scheme is extremely generous—certainly more generous than arguably all private sector schemes.

A further report was prepared by the Public Actuary and presented to the House of Assembly on 16 July 1981. Unfortunately, it was not printed. It was a report on the long-term projections of the cost to the South Australian Government of the South Australian Superannuation Fund and related matters. The report noted there had been concern that the level of benefits provided by the fund were far higher than the private sector provides, or can afford to provide for its employees.

The report observed that, after taking taxation and loss of social security benefits into account, it is doubtful whether, from the employees point of view, the South Australian Superannuation Fund was much more attractive than the private sector lump sum scheme. However, the recent moves attacking lump sum benefits, unless they were taken in the form of an annuity or pension, would suggest that now is an appropriate time to review public sector schemes.

Page 4 of this 16 July 1981 report sets down the projection of State Government costs over the next 60 years for the South Australian Superannuation Fund expressed in 1980-81 dollar terms. It shows an increase in payments in real terms from $31 200 000 in 1980-81 to $34 600 000 in 1984-85. I would be interested to know whether that projection put forward two years ago is still regarded as accurate.

Common sense would suggest that a public sector superannuation fund requiring only the same level of contribution as a private sector fund, but offering a benefit at least 30 per cent better, just has to keep costing the taxpayer more money. We must not allow the South Australian Superannuation Fund to become an endless drain on taxpayers' money. I hope that the Treasurer undertakes a close review of the fund following the Public Actuary's report later this year.

Having made those remarks, I have noted the several amendments before us in relation to the Superannuation Act and that they, in aggregate, lead to a small increase in the cost to the fund of 0.4 per cent per annum. That, of course, is only a small amount. Nevertheless, it is another increase which will ultimately be borne by the South Australian taxpayer. I ask the Treasurer to consider carefully the Public Actuary's Report for the three-year period until 30 June 1983 and the projections that he makes. Undoubtedly there will be future costs borne by the South Australian Government, so I hope that the Treasurer will note closely any increases which could be regarded as unacceptably high by the taxpayers of South Australia and moves to correct those anomalies so that there is not too much of a gap or variation between the benefits received by public sector employees and private sector employees.

The Hon. FRANK BLEVINS (Minister of Agriculture): I thank the honourable member for his contribution. I assure him that the Government is aware of the increasing cost of superannuation payments and will keep the position closely under review.

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

INDUSTRIAL SAFETY, HEALTH AND WELFARE ACT AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

When the Industrial Safety, Health and Welfare Act was passed by Parliament in 1972, it was heralded as a most progressive approach to industrial safety and to legislation at large. Through its enabling provisions, that Act laid down general principles to secure the safety, health and welfare of all employed persons throughout the State, with the detailed and technical provisions to be incorporated in regulations made pursuant to the Act.

Faced with the need to update legislation requirements in the light of changing industrial standards and practices so that workers can continue to be protected, the approach adopted by the Industrial Safety, Health and Welfare Act has proved to be highly successful. As a measure of that success, it has been used as a model for similar legislation in Tasmania, and consideration is currently being given in New South Wales and Victoria to the adoption of an enabling approach to industrial safetly.

Through regulations made under the Act, steps have been taken to safeguard the health of workers engaged in processes involving the handling of asbestos. The dangers associated with asbestos materials have become increasingly well documented in recent years, and it is imperative that the protection of the Act responds to any newly identified need. At present, in so far as the removal of asbestos is concerned, both the construction safety regulations and the industrial safety code regulations made under the Act require the written approval of the Chief Inspector before any such removal is carried out.

The current departmental procedure is to safeguard the health of workers engaged in the removal of asbestos from buildings, and others in the immediate vicinity of the removal operations, involving detailed consideration of each project before commencement and the control of operations during removal. Prior to commencement, an inspection of the site is carried out and consultation occurs with officers of the South Australian Health Commission. The approval of the Chief Inspector sets out the detailed requirements to be followed for the removal of the asbestos, together with reference to National Health and Medical Research Council and South Australian Health Commission approved documents which must be observed.

In addition, the approval also sets out the required atmospheric monitoring for asbestos fibres as determined by the South Australian Health Commission. Inspections of the work site are also made during removal operations to ensure that the conditions of approval are being observed. Furthermore, atmospheric monitoring results are analysed and, in consultation with the South Australian Health Commission, it is determined whether conditions are satisfactory or corrective action is required.

However, given the extreme dangers involved, the Industrial Safety, Health and Welfare Board, the tripartite board established by this Act, has recommended that additional steps be taken to give departmental inspectors more teeth and to deter firms which may have inadequate equipment, knowledge or working procedures for entering the field. Accordingly, this Bill seeks to give effect to the board's recommendation that contractors engaged in the removal of asbestos from established buildings be licensed by the Department of Labour. The licensing of such contractors is also supported by the National Health and Medical Research Council.

At present, there are five contractors engaged in asbestos removal work in this State, three are involved in the removal of asbestos in buildings prior to renovation work or for other reasons, one in conjunction with demolition work and the other in the removal of asbestos lagging on machines and equipment to facilitate maintenance and the subsequent installation of alternative insulation.

In line with the approach taken generally, it is intended to contain the detail of the new licensing provisions in regulations made under the Act. These regulations will be subject to the full consultative process by both the Industrial Safety, Health and Welfare Board and the Industrial Relations Advisory Council in accordance with the procedure established by this Government. The points of view expressed by those bodies will be taken into account in establishing licensing provisions in this important area.

Clause 1 is formal. Clause 2 inserts in the schedule to the principal Act a new power for the making of regulations with respect to the removal of asbestos from buildings and the grant (conditional or unconditional), suspension and cancellation by the permanent head of licences to carry out such work.

The Hon. J.C. BURDETT: I support the second reading of this Bill. The second reading explanation, after it finished handing out bouquets to the Government of the day that introduced the parent Act, eventually gets down to discussing this short Bill. Its purpose is to give more teeth to inspectors engaged in the area of removal of asbestos from existing buildings. It enables regulations to be made to provide for the permanent head to grant, suspend or cancel licences for the carrying out of this work.

In the interests of Parliamentary government, I have always been wary of Bills such as this that do nothing of substance in themselves except to enable regulations to be made, within pretty broad guidelines. Whenever practicable,

the substantive law should be contained in Acts enacted by the Parliament. Parliament has a limited control only over regulations. For example, it has no power to amend regulations. Making Parliamentary control over regulations more efficient is something that I believe should be considered at some time.

I note that the scope of the motion moved by the Attorney-General for a joint select committee to consider and report upon proposals to reform the law, practice and procedures of Parliament is wide enough to enable consideration of this matter to be undertaken, and I hope that, if such a joint committee is set up, this will be one of the matters that might be considered. However, in this particular case the matters concerned are in an area of merely technical regulation, and are matters that can properly be dealt with by regulation.

The success of the legislation will depend on the merit of the regulations, and I shall look at the regulations carefully when they are promulgated. Fortunately, I am a member of the Joint Committee on Subordinate Legislation, so there is no chance that I will miss the regulations when they are made.

The Hon. R.C. DeGaris: Members of the committee have missed things before.

The Hon. J.C. BURDETT: I do not believe I have missed anything. The Bill is commendable, and I support it.

Bill read a second time and taken through Committee without amendment. Committee's report adopted.

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

That this Bill be now read a third time.

During the second reading debate, the Hon. Mr Burdett, speaking on behalf of the Opposition, raised the question of regulation-making power. During his contribution the honourable member cast some doubt on the relevance of the earlier part of my second reading explanation. The relevance of his remarks on regulation in this Bill is probably dubious as well. Nevertheless, I am prepared to say that the issue that he raised in relation to the regulation-making power and to Parliament's authority in relation thereto is a matter that could be considered by the select committee when and if it is set up. The terms of reference are reasonably broad. Without wishing to pre-judge what the committee might determine on that issue, I can see no difficulty in the honourable member's raising it when the committee is established.

Bill read a third time and passed.

SURVEYORS ACT AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 1672.)

The Hon. K.T. GRIFFIN: The Opposition supports the Bill. The amending Bill results from a review of the Surveyors Act by the department which was undertaken, partially at least, during the term of the Liberal Government. I want to draw attention to only two matters: one relates to clause 12 and the other to clause 14. They are matters which I have raised consistently both in Opposition and in Government, so what I propose now to refer to is no divergence from a long held view on these two areas of practice. Clause 12 (2) provides:

> Proceedings from an offence against this Act shall be commenced within two years after the date on which the offence is alleged to have been committed.

Previously, it was six months. That was the period fixed by the Justices Act, which generally provides a time limit within which proceedings can be issued for offences against a Statute unless exceptions are made by specific Bills. I know that the second reading explanation suggests that it may be some time after an offence has occurred before it is discovered and the offender apprehended, but I am generally concerned that anybody who is likely to be the subject of a prosecution should have to wait around for at least two years before the complaint is issued.

So, at the appropriate time I will move an amendment to reduce that period of two years to 12 months. That is consistent with other legislation which has passed through Parliament with the support of both major Parties over the last four or five years. The Planning Act, which we passed last year, limits the time to 12 months, but also makes a special provision which is unique to the Planning Act that, with the approval of the Attorney-General, proceedings can be issued at any time up to five years after the offence has been committed. I would not suggest importing that into the Surveyors Act, which would be an indication that there is general concern about allowing the Crown too long within which to issue proceedings. So, I will move to reduce the period from two years to 12 months.

The other point relates to clause 14, which deals with the regulation-making power under the principal Act. The principal Act presently provides that regulations may prescribe a maximum penalty of $200 for offences against the regulations. Generally speaking, I favour higher penalties where those penalties are specifically provided in an Act of Parliament, but I have generally objected to high penalties being provided in subordinate legislation. So, at the appropriate time, I will move an amendment which will reduce the maximum of $5 000 which can be imposed by way of penalty by regulations to $1 000. Even the $1 000 is a bit high, but I recognise that monetary sums are diminishing rapidly in value in times of high inflation. So, I suggest that for offences created by regulation the maximum penalty will be $1 000.

As I say, I have no objection to higher penalties if they are specifically referred to for specific offences in the Statute, where the Parliament has an opportunity to scrutinise them specifically. Although regulations come before the Parliament for disallowance, the fact is that it is still subordinate legislation, and I have a basic philosophical objection to generally allowing high penalties to be imposed for offences created by a regulation. Apart from those two matters, the Opposition supports the Bill.

The Hon. J.R. CORNWALL (Minister of Health): During the debate in the other House, the member for Chaffey on 12 May raised a question about the percentage increase in penalty incurred under the last clause of the Bill compared with percentage increases in other penalties. The Hon. Mr Griffin has also raised the question of the $5 000, admittedly in a somewhat different context. I can probably answer both fairly accurately. Although, at that time, the Minister of Lands was unable to give a specific reason, he undertook to supply the information so that it could be raised during the debate here.

The penalty of up to $5 000 is to deter registered surveyors from breaches of the code of ethics, survey practice and other regulations. To have that amount in 1983 at less than $5 000 would, to a significant extent, defeat the purpose of the exercise, as I will proceed to show. Breaches of regulations invariably result in expenditure of public moneys to correct resultant situations. The penalty provisions for breaches of regulations, on our advice, should be increased very substantially from $200 to an amount which will allow adequate scope for breaches of varying seriousness. I do not intend on behalf of the Government to accept the proposed amendment. The Bill, in its present form, will enable breaches

(which, in the past, have been hard to detect and prove) to be detected and prosecutions made.

The Surveyors Board of South Australia and the profession as a whole consider that the $200 penalty was an insufficient deterrent. As an example, if I might draw the Hon. Mr Griffin's attention to the matter, the present cost of operating a survey party is approximately $800 a day.

If through some breach of the Act it is necessary for a field party to conduct a trip of five days duration, at $800 a day, to rectify the breach, the cost to the Government is about $4 000. In those circumstances, it is strange that the Opposition should try to hold down the penalty to $1 000. If a lesser penalty was enforced, part of the cost would necessarily be borne by the Government not only in this example but in numerous other examples. I thank honourable members for their attention. At this stage I think I need say no more.

Bill read a second time.

In Committee.

Clauses 1 to 11 passed.

Clause 12—'Summary proceedings.'

The Hon. J.R. CORNWALL: In view of the fact that I wish to take further advice in relation to this clause, I suggest that the Committee report progress.

Progress reported; Committee to sit again.

EVIDENCE ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from 11 May. Page 1450.)

The Hon. K.T. GRIFFIN: When I last spoke to this Bill I indicated some concern about the limited time within which Parliament would be asked to consider the significant changes in the law proposed in this Bill. At that stage I recall that we were not aware that there would be a two week recess and that we would sit for another week. Now that that time has been available I have given the matter further consideration and I am able to say that, notwithstanding my concern about the significant changes in the law proposed in the Bill, the Opposition will support the second reading but will propose significant amendments in Committee.

The Opposition has no quarrel with the desire to ensure that in all cases spouses are competent witnesses. At the present time, the law limits the competency of a spouse to only a few offences. This situation can present some technical and practical difficulties particularly where a spouse wishes to give evidence but because of the present state of the law is unable to do so because he or she is not competent, according to that law.

In relation to the question of competence of spouses, the Opposition is prepared to support that all spouses should be competent in all matters. That does not mean that a spouse ought to be compellable. In 1974 the third report of the Mitchell Committee made some comprehensive recommendations about competence and compellability. It is those recommendations that the Opposition is prepared to support in amending the law in relation to the competence and compellability of spouses. Paragraph 11.4 of the report states:

(a) We recommend that each spouse be competent to give evidence against the other in respect of all charges.

(b) We recommend that the prosecution be at liberty to commment upon the failure of a spouse to give evidence for the other.

(c) We recommend that where a spouse is competent but not compellable to give evidence against the other and it is intended to call that spouse to give evidence for the prosecution, the judge should explain to him or her in the absence of the jury that he or she can not be compelled to give evidence.

(d) We recommend that each spouse be competent and compellable to give evidence for the other in respect of all charges.

(e) We recommend that each spouse continue to be compellable to give evidence against the other in all charges in respect of which he or she is at present compellable and in a charge for assault upon a child under the age of 16 years.

(f) We recommend that where spouses are jointly charged each be competent but not compellable to give evidence for the other.

(g) We recommend that a spouse be competent but not compellable to give evidence for or against a person charged jointly with the other spouse.

As I have said, the Opposition is prepared to support amendments to the Bill which go as far as the recommendations of the Mitchell Committee. At the appropriate time, amendments will be moved in an endeavour to indicate support for that position.

I repeat the concern that I expressed when this Bill was previously before the Council. With the law being so dramatically changed to make all spouses not only competent but also compellable (and only being exempted from giving evidence by order of a trial judge), the Opposition fears that there will be a severe reduction in the recognition of and emphasis on the desirability of placing a matrimonial relationship above all other considerations.

The other difficulty with the Bill is that it extends protection to putative spouses. The Mitchell Committee made a recommendation on this after considering the submissions that sought to provide protection for a variety of individuals, but in differing relationships to each other. The committee concluded that it should not recommend any variation in the class of persons who presently are not compellable to give evidence. The concern that I have previously expressed is that not only will there be some technical difficulties in identifying a putative spouse under the technical provisions of the Family Relationships Act, but it also elevates the relationship to a status which the Opposition does not generally accept is warranted, that is, to that of a matrimonial relationship. We do not believe it is appropriate to protect such a relationship in criminal law. We intend to support the second reading, but on the basis that we will seek to have amendments made so that the recommendations of the Mitchell Committee can be implemented.

The Hon. H.P.K. DUNN secured the adjournment of the debate.

STATUTE LAW REVISION BILL

Adjourned debate on second reading.

(Continued from 11 May. Page 1434.)

The Hon. K.T. GRIFFIN: This Bill is supported by the Opposition. Generally, it makes only minor and technical amendments to two Bills, the Workers Compensation Act and the Mental Health (Supplementary Provisions) Act, designed to facilitate the reprinting of the consolidation of both those Acts. There is only one matter of concern, and that is in that part of the schedule which deals with the Workers Compensation Act and the proposed amendment to section 57, which presently provides:

> A weekly payment, or a sum paid by way of redemption thereof, shall not be capable of being assigned, charged, or attached, and shall not pass to any other person by operation of law, nor shall any claim be set off against the same, nor shall any deduction be made from any such payment or sum for the purpose of paying hospital, medical, ambulance, or other expenses, pursuant to the Hospitals Act, 1934, as amended.

That section did seek to ensure that the deductions for hospital, medical, ambulance and other expenses would not

be made from the weekly payment because they were in fact payable by the employer or the insurer. The amendment seeks to delete the words 'the purpose of paying hospital, medical, ambulance, or other expenses, pursuant to the Hospitals Act, 1934, as amended' and substitute 'any purpose whatsoever'.

I have some concern about that: there are deductions which either with or without the agreement of the employee can properly be made from weekly payments; for example, things such as superannuation fund contributions of the employee which, under the Superannuation Act in South Australia for Public Service employees and others who are members of that fund, are compulsory. Where there are private superannuation funds, the employee has an obligation to make contributions, as does the employer, so that the proposed amendment will prevent deductions for the employee's contribution to the superannuation fund.

It will prevent the sort of deductions that an employee can authorise under section 153 of the Industrial Code. Those sorts of deductions include health fund contributions, trade union dues, social club dues and so on. My amendment will seek to overcome some of the difficulties envisaged in the amendment in the Bill by deleting the words 'expenses pursuant to the Hospitals Act 1934, as amended' and inserting 'similar expenses pursuant to any Act', so that the spirit of the amendment is preserved. The spirit of the principal section is preserved, and there is no technical prejudice to the sorts of deductions to which I have referred, which are quite legitimate and many of which are made at the request of the employee. With that qualification, the Opposition supports the Bill.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

WORKERS COMPENSATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 12 May. Page 1605.)

The Hon. G.L. BRUCE: I support the Government's introduction of this Bill. I take the point that the Hon. Mr Burdett made: there are three main thrusts to the Bill, and the honourable member has laid them out clearly, as follows:

1. It seeks to include overtime and site allowance in the computation of average weekly earnings.
2. In respect of work-induced hearing loss, it removes the 10 per cent threshold and removes the requirement that claims must be made within two years of the retirement of the worker.
3. It takes away the requirement that after 26 weeks per cent of the weekly payment shall be paid into the Workers Rehabilitation Assistance Fund, and that 5 per cent of certain lump sum payments will be paid into the same fund.

I believe that that is the main thrust of these amendments to the Workers Compensation Act. If members cast their minds back to last year, they will recall that the then Opposition bitterly opposed the introduction of those clauses by the former Liberal Government. The strong anti-compensation clause was watered down by the Democrats, who introduced amendments that did neither one thing nor the other.

I turn now to the matter of hearing loss. I believe that it is equitable that there should not be a threshold for hearing loss of 10 per cent, or 20 per cent, as proposed by the Liberal Government. The amendment altering that proposed 20 per cent to 10 per cent was moved by the Democrats. It is like saying that if one loses 10 per cent of one finger it does not matter. I believe it does matter, and that the loss of 10 per cent of one's hearing should be compensated for as is the loss of a tenth of a finger, a hand, a toe, or any other part of the body. I believe that there is equity in that idea and that there should not be a threshold of 10 per cent applying to hearing loss.

The Hon. H.P.K. Dunn: You don't lose 10 per cent of your fingers as you grow older.

The Hon. G.L. BRUCE: If a threshold is recognised for hearing loss, surely that can be measured and allowed for in any compensation. If there is to be an allowance of 10 per cent or 20 per cent in hearing loss claims then there is no incentive for manufacturers to reduce noise levels. I believe that there should be a provision that makes manufacturing firms responsible for reducing noise levels. Noise levels can easily be measured and, as I understand it, there is no problem in doing that. A person could go to a factory and measure a worker's hearing threshold when the worker started there and monitor that worker's hearing through his or her working life. Any hearing loss could be compared to the loss experienced by workers not working in noisy areas. This would enable the successful monitoring of a person's hearing so that it could be decided what part of their hearing loss was due to old age and wearing down of their system. I see no problem with that. I do not believe that any threshold should be imposed on compensation for hearing loss.

I turn now to overtime, shift and site allowances. I will later use as an example of the unfairness relating to these allowances the situation applying in an industry in which I have worked. In the hospitality industry, as it is called, barmen, waitresses, kitchen hands, and others are required to work on weekends. These people must have their day off during the week, or possibly on Sunday, because of the way in which their award is structured. They normally must work on a Saturday, because it is a busy day, and because of that they are paid time and a half for Saturday work. This results in their working for 40 hours and being paid for 44 hours, and that becomes virtually their normal rate of pay. If they do not work on the Saturday they are shown the door because Saturdays and Sundays are busy days. They get overtime for working those days. However, when those people go on compensation they have a four-hour loss of working time in their pay. I believe that they should be compensated for that loss of overtime payment. I see nothing inequitable about that.

I worked in a winery many years ago. The only overtime that winery workers got was during the vintage period, which lasted for seven or eight weeks. However, during the vintage time workers were most likely to have an accident and be off on compensation. Those workers might work for 40 hours for 46 weeks of the year, their only chance of overtime being that five or six weeks during the vintage period. That was solid overtime involving weekends and nights, and people's pay cheques were considerably enhanced. However, if a person was injured during that time and was off for three or four weeks he missed out on that overtime, which was the only lift to his wages during the whole year.

I believe that this Bill has made matter equitable. It states that the court may, on the application of the employer or the worker, review weekly payments. It states further that, upon review under this provision, the court may, subject to this Act, order that weekly payments be terminated, increased or diminished as from a date fixed by the court. It states later that the court shall have regard to the earnings that the worker would have received if he had continued to be employed by the employer in whose employment he was engaged immediately before the incapacity. The Bill is saying that one has to recognise what the worker would have got had he worked, and I believe that that is a fair approach.

I do not believe that a worker on compensation should earn more than his workmates earn, nor do I believe that he should earn less. What is proposed in this Bill is fair and equitable, and I fully support it. I do not know why a worker who, through no fault of his own, suffers six months off work on compensation has to face a reduction of 5 per cent in his pay after that period to help rehabilitate himself. That is an imposition on him. I do not believe that any worker should suffer a reduction in his pay in addition to his injury. What we are asking for in this Bill is to bring back his 100 per cent pay, which is fair and proper. I have much pleasure in supporting the Bill. I do not intend to speak at length now but, in Committee, I will press the points that I have already made and emphasise them, because I believe that the matters raised by this Bill are justified in equity and good conscience and should have the support of this Council.

The Hon. L.H. DAVIS: I oppose the amendment to the Workers Compensation Act. This subject was a matter of some debate in 1982, and the views of members on both sides are well known. I have not changed my view since that debate took place. Whilst there may not be the same heat in the debate on this occasion, nevertheless, the principles espoused by the members of this Party on that occasion are just as strong today.

There are three principal points which are the subject of these amendments. The first is with regard to hearing. The proposal seeks to remove what I believe is a sensible provision, namely, that there is a two-year period during which a claim for loss of hearing must be lodged after retirement in the case of a worker who believes he has suffered a hearing loss. The purpose of one of these amendments is to remove that two-year limitation so that we have an open-ended situation where a person, five or 10 years after retirement, could seek compensation for a hearing loss. I understand that 10 per cent of hearing loss claims come from retired people who have been out of industry for several years. We all realise that, as the Act stands, any person working in a noisy environment is presumed to have suffered any hearing loss as a result of that noisy environment, irrespective of other factors which may have induced it.

We should also remember that, as people grow older, and generally after the age of 50, hearing starts to deteriorate. It may well be argued that many people will suffer a 10 per cent loss in hearing through natural wear, tear and ageing. Therefore, it seems reasonble to have a two-year threshold. This is not a significant provision perhaps in regard to many people, but I believe that it is a just provision. It takes into account that, as people grow older, they suffer a loss of hearing as a result of the ageing process.

The second point I wish to discuss is the proposal to remove the requirement to contribute to the rehabilitation fund after a period of 26 weeks. Honourable members will recall that one of the provisions of the Workers Compensation Act following the package of amendments brought forward by the then Liberal Government included a requirement for an employee to contribute 5 per cent of weekly payments after being off work for at least 26 weeks. In another place the Minister of Labour claimed that workers and employers were conspiring to overcome provisions of this section, that employers would agree to an employee going back to work for a few weeks before the 26-week period had expired and then resuming his recovery process: in that way, the employee would not be required to pay 5 per cent of his weekly payments to the rehabilitation fund.

I believe that that is a very shallow argument indeed. It was fairly obvious that the rehabilitation fund, which became operative on 1 July 1982, would not be effective until a 26-week period had expired, namely, until 31 December 1982. It is a matter of record that the Labor Government was elected to office on 6 November 1982: it is also a matter of record that the newly elected Minister of Labour in the other place made quite clear that he was seeking to amend the workers compensation provisions, one of the provisions being in regard to the rehabilitation fund. Therefore, very few employers and employees would have been prepared to put money into a fund knowing of the likely amendments to come before Parliament.

I have heard the view expressed by several people that it is not an argument to say that the rehabilitation fund did not work. First, the 26-week period until the end of 1982 did not expire, and, secondly, the Minister of Labour made quite clear that he had no intention of continuing with the rehabilitation fund. Admittedly, it was a novel approach, something that was pacemaking in regard to workers compensation in Australia, but that is not to deny that it had a good intention and a good motive—to elevate the status of rehabilitation of workers who are injured. It was hoped that it would not only make workers more aware of the opportunity to seek advice on their rehabilitation after an injury but also focus attention on the need for employers to adopt good industrial safety measures. It is a novel approach, and I am saddened to see that the Labor Party has sought to remove that provision, given that it has been effectively operational for a very few months.

The third amendment to which I refer relates to the attempt to reintroduce overtime and site allowances into the weekly payments that can be claimed by workers seeking compensation. I believe that this is a retrograde step. It is worth remembering that, when workers compensation was first introduced, it sought to provide a living wage. Now, there is a very real possibility that in an economic down-turn people on workers compensation may well earn more when off work than their fellow employees earn while working. I do not believe that that is equitable. It does not encourage the employee on workers compensation to seek an early return to work, especially if the work place is suffering from an economic down-turn.

The last matter to which I refer is the most fundamental of all. Whatever we finally decide is the real cost to employers of amending the workers compensation legislation, it will be an increased cost at a time when the Premiers and Treasurers of all States and the Prime Minister of Australia are preaching economic restraint. It is a form of economic thuggery. On the one hand our Premier, in addressing the national economic summit on Tuesday 12 April, was quoted as stating:

> In the short term our manufacturing industries need a breathing space, plus incentives for longer-term restoration of high levels of economic growth.

It was also stated that Mr Bannon's economic breathing space package included a prices and incomes accord. On the one hand, the Premier says that we must exercise restraint and that we should recognise that manufacturing industries are going through a difficult period; on the other hand, he seeks to rush through in what is one of the first legislative measures introduced by this Government since it came to office on 6 November a package of amendments to the Workers Compensation Act that will have a very dramatic effect for some employers. There can be no resiling from that statement. I have spoken to several employers and to the insurance industry about this matter

The Hon. M.S. Feleppa: Have you spoken to the employees?

The Hon. L.H. DAVIS: I will speak about the employees later if the honourable members wishes. There is an accepted controversy about the cost of this workers compensation legislation in real terms. Obviously, industries that have high workers compensation premiums will perhaps suffer

more but, if one accepts the last figure which I have heard in relation to this package of amendments, namely, that it will increase costs to employers by a minimum of 5 per cent (and there have been others who, honourable members will note, have argued that that increased cost figure is as high as 15 per cent).

The Hon. K.L. Milne: Do you mean total cost or the premium?

The Hon. L.H. DAVIS: The increased cost in the workers compensation premium. If one looks at industries which are on top of the list of workers compensation premiums, where people are involved in highly dangerous industries, they may be involved in a premium of up to 30 per cent. If one takes 5 per cent of 30 per cent, one sees that there is a direct increase in cost of 1 1/2 per cent. That is effectively saying wages have increased by that amount in crude terms. Certainly, that figure of 30 per cent is a higher figure, but there are many industries (for instance, the building industry) where workers compensation premiums can be as high as 16 per cent. So, one has a figure, even accepting this last figure of a 5 per cent increase in the cost of workers compensation premiums as a result of these measures, that would increase costs to the building industry by nearly 1 per cent.

This is occurring in a time of economic constraint. The Labor Party in this State is, on the one hand, prepared to support measures adopted, and in many cases initiated, by the Hawke Labor Government which preached economic restraint in terms of price and cost restraint—and those costs, of course, can take many different forms. But for many employers workers compensation is a very big part of their total expenditure. If one has an effective 1 per cent increase in one's pay-roll, workers compensation and related costs as a result of these amendments being passed, the Bannon Government is practising something totally contrary to what it preaches. It is forcing up costs and making it more difficult for those manufacturers to compete—the very manufacturers to whom the honourable Premier referred at the economic summit only six weeks ago as needing protection.

How can this Labor Government justify rushing through this package of amendments to the Workers Compensation Act when, quite clearly, the existing legislation is adequate and is commensurate with the legislation in workers compensation which operates around Australia? It has brought this forward as one of its first measures purely because the union movement, presumably, has told it that it has to get it through quickly. I can think of no other reason. The Premier and Treasurer has bowed to union pressure to push through a measure which flies absolutely in the face of what he preaches, namely, cost restraint. There can be no justification for this proposal whatsoever. I am ashamed to think that the Premier does not practise what he preaches.

The proposal that I am putting forward today is reinforced by people who are expert commentators on the South Australian economy—people such as Mr Pat Elliott, the South Australian Manager of Morgan Grenfell Australia Ltd, a man who has been retained, I would have thought, by people of all political persuasions to give them advice on economic and financial matters. On Saturday 7 May (less than a month ago), in the *Advertiser*, Mr Elliott was quoted as saying that South Australian business is in difficulties, that he believes that to be fully effective we need to make the best of our limited opportunities, and that we are suffering from a trend to interstate control, a reduced number of local companies, (reducing the viability of the capital market), and there is an increasing difficulty for South Australia in attracting new industry and business where local partners, suppliers or distributors might be required. All of those points that he makes are obvious; there is nothing novel in them, but it really underlines the point that has been made by those people who are strongly opposing these amendments, namely, that there can be no practical justification for these proposals, given that the workers compensation legislation as it now operates is commensurate with that existing in other States.

Secondly, there can be no economic justification to these proposals given that we are, as an economy, suffering high unemployment, with a larger than usual manufacturing base suffering especially from the contraction in that sector. Lastly, and perhaps most importantly of all, we cannot support these measures, which have no moral justification, because this Government that seeks to increase the costs to a struggling industry in South Australia, without any commensurate benefits whatsoever, is the same Government that says, 'We want South Australia to win; we want to help South Australia', and at the national economic summit had the gall to say that South Australian industry needs more protection. I oppose the amendments.

The Hon. K.L. MILNE secured the adjournment of the debate.

[Sitting suspended from 5.58 to 7.45 p.m.]

SURVEYORS ACT AMENDMENT BILL

Adjourned debate in Committee (resumed on motion).
(Continued from page 1685.)

Clause 12—'Summary proceedings.'

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

Page 3, line 12—Leave out 'two years' and insert 'twelve months'.

My amendment reduces from two years to twelve months the period within which proceedings for offences may be commenced. At the moment, proceedings for offences against the Surveyors Act must be instituted within six months of the commission of an offence. I can accept that there may need to be some extension of that time but, in principle, I am opposed to extending the period for as long as two years. Accordingly, a reasonable compromise would appear to be 12 months. After all, even if there is difficulty in detecting an offence for some time, I do not believe that any citizen should be liable for prosecution indefinitely. If no offence is detected within 12 months, that should be the end of the matter. However, if an offence is detected within that time, proceedings can be issued.

The Hon. J.R. CORNWALL: The Government cannot accept the amendment. As the Hon. Mr Griffin said, the present situation is that if someone commits an offence that person is prosecuted summarily and the prosecution must occur within six months. I spoke to the Surveyor-General during the adjournment and he indicated that a 12 month period might not be sufficient. If we take on board the lawyer's argument and, by and large, the lawyers of our community—

The Hon. K.T. Griffin: It involves civil liberties, too.

The Hon. J.R. CORNWALL: As I understand it, civil liberties do not facilitate people getting away with things.

The Hon. K.T. Griffin: It also means that you proceed expeditiously.

The Hon. J.R. CORNWALL: That may well be the effect of the amendment, but we are dealing with a special area where it is often well in excess of six months before an offence is discovered. I am told on the best advice, from the Surveyor-General, that 12 months may not be adequate. I believe that this matter was discussed at some length in various areas with Parliamentary Counsel, who suggested that two years should be the maximum period.

I would concede that a two-year period is pushing it to the limit. Nonetheless, on the advice that I have been given and taken, it seems to me that one year is not adequate for the matters with which we are dealing. Therefore, I am afraid that the Government must resist this amendment.

The Hon. K.T. GRIFFIN: Whether the period of time is six months, one year, two years, three years or whatever, there will always be instances where offences are detected after that period of time has expired. It is a question of drawing the line somewhere and in a way that is fair to citizens, also taking into account as much as possible the disability to the Crown.

Whether in Government or in Opposition, I have maintained a consistent approach to this question. I believe that any investigations ought to proceed with all expedition. I have encountered cases where, because a long time period has been allowed in certain instances, investigations have not proceeded expeditiously.

I am not suggesting that the Surveyor-General would deliberately delay inquiries and the institution of proceedings if the time applicable was two years, but I think that there is always a temptation that, the longer the period, the more drawn out inquiries may be, and the more decision making may be deferred. In an attempt to achieve a reasonable balance, I think 12 months ought to be given a try. If there are grave disadvantages in that, we can review the matter again in a year or so.

My experience is that once a period of, say, two years has been given you very rarely get it back and it becomes the norm rather than the exception. Therefore, I would still adhere to the idea of a 12-month time period. I do not believe that it would create any prejudice to the Surveyor-General or the officers of the Crown and that it would be reasonable from the point of view of the citizen.

The Committee divided on the amendment:

Ayes (7)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin (teller), and Diana Laidlaw.

Noes (8)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall (teller), M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, and C.J. Sumner.

Pairs—Ayes—The Hons C.M. Hill, R.I. Lucas and R.J. Ritson. Noes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese.

Majority of 1 for the Noes.

Amendment thus negatived; clause passed.

Clause 13 passed.

Clause 14—'Regulations.'

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

Page 3, line 35—Leave out 'five' and insert 'one'.

I have already related the reason why I believe that in any regulation the maximum penalty that can be fixed ought to be limited to $1 000 rather than $5 000. The power to make regulations necessarily means that there is also a power to create offences. They are somewhat less significant offences than those provided in the Statute itself. Where those offences are created, it is my view that the Government of the day should not have the power to impose a penalty as high as $5 000. The ordinary practice with regulations, anyway, is to have a much lower ceiling for penalties for offences.

I have no objection to higher penalties for offences created by the Statute, but one must remember that in this case we do not know what the offences may be that are created by regulation, and those regulations are only subject to disallowance: they are not subject to the sort of detailed scrutiny and decision that is required on each and every clause of a Bill that comes before the Parliament in another fashion.

It is my view that the limit ought to be $1 000 for offences under the regulations—not $5 000. The Minister has said that we have to take into account the cost of a survey party, which might be up to $800 a day, to rectify the consequences of any offence under the regulations. It is the first time that I have ever heard that, as a matter of principle, penalties are fixed having in view the cost to the Government of rectifying any breach, loss or damage. That is more in the area of civil jurisdiction—not criminal jurisdiction. Penalties are fixed having regard to the seriousness of the offence.

I oppose any principle being imported into this or any other legislation that we must take into account the cost to the Government of any offences and not have regard to the nature of the offences and the seriousness of the offences. I urge the Committee to limit, as it has done on other occasions, the amount which can be imposed by way of penalty for breaches of provisions of regulations.

The Hon. J.R. CORNWALL: I find that strange coming from a $50 000 man. I am well aware that a lawyer's mind works overtime, but let us have a bit of common sense.

The Hon. K.T. Griffin: At least it works—it is not like the minds of some members.

The Hon. J.R. CORNWALL: That is debatable. That is a subject that should be taken up at another time and possibly in another place.

The Hon. L.H. Davis: Perhaps we could meet in Port Augusta to discuss it.

The Hon. J.R. CORNWALL: No, Port Lincoln. There is an old dictum about this which I first came across as a youth in a Gilbert and Sullivan opera which says that the punishment should fit the crime. For an average and reasonable person, that applies as much in 1983 as in the last century.

What we have here is a proposal for a $5 000 fine. Let me give two examples. The honourable member says that it is against his principles or against some principle of law that he appears to espouse, but the reality is that, if someone quite unreasonably holds up survey, he is in breach of the legislation. For every day that the person holds up that survey team from getting on with the legitimate exercise of its duty, it is costing about $800 a day. When that is costed for a period of up to six days, the cost is near the $5 000 mark.

The Hon. R.C. DeGaris: Are they doing any surveying at Honeymoon?

The Hon. J.R. CORNWALL: No, not to the best of my knowledge.

The Hon. Diana Laidlaw: They have stopped everything.

The Hon. J.R. CORNWALL: It has enabled me to get some additional funds, so that we can look at the plight of the women in the community and the work force. We are concerned about women with repetition injuries. The other situation is where a survey team may have to make good unsatisfactory or negligent work that has been done. Again, the cost is around $800 a day. To be a reasonable deterrent, it seems to me that a maximum penalty of $5 000 is entirely realistic. In those circumstances, on the very best available advice—

The Hon. K.T. Griffin: It is not infallible.

The Hon. J.R. CORNWALL: It is not infallible, but in this instance I am inclined to accept the advice of the Valuer-General other than that of the Opposition. Therefore, I cannot accept the amendment.

The Hon. K.T. GRIFFIN: Returning to the principle of the Bill (and not the question of denigrating the Opposition or any member of the Opposition), I believe that we should look carefully at what regulations involve. Regulations are subordinate legislation, subject to disallowance only by either one or both Houses of Parliament. There is no detailed scrutiny of offences created by the regulations other than *in globo* by the Subordinate Legislation Committee. The penalties can be aired only during a disallowance debate.

When offences are created by Statute, as generally they ought to be if they involve fines of something like $5 000, they are subject to the scrutiny of the Parliament, positively and deliberately. If the Minister and the Government are concerned about a fine of $1 000 being insufficient for an offence under the regulations, the proper course to follow is to amend the Surveyors Act to provide for the offences specifically in the Statute and not to rely on offences being created other than by the authority of the Parliament.

The Committee divided on the amendment:

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

Noes (6)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall (teller), M.S. Feleppa, Anne Levy, and C.J. Sumner.

Pairs—Ayes—The Hons C.M. Hill, R.I. Lucas and R.J. Ritson. Noes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese.

Majority of 3 for the Ayes.

Amendment thus carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

STATUTE LAW REVISION BILL

Adjourned debate in Committee (resumed on motion).

(Continued from page 1686.)

Clause 2 passed.

Schedule.

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

Page 3—Leave out from the second column the item headed 'Section 57—' and insert the following item:

Section 57—

Strike out 'expenses, pursuant to the Hospitals Act, 1934, as amended' and substitute 'similar expenses pursuant to any Act'.

During the second reading debate I explained the reason for the amendment. I was concerned that the amendment which is presently in the Bill (that is, to prevent any deduction from weekly compensation payments for any purpose whatsoever) would have the effect of preventing deductions of the employees' contributions for superannuation and those deductions which may be made by an employer with the concurrence of the employee, such as social club dues, health fund fees and union dues. I am sure that that was not intended. I suppose that it is most relevant for those employers who are granted an exemption under the Workers Compensation Act and carry their own workers compensation insurance because, in that event, they make the payments to the injured worker. If they were not able to make deductions for superannuation and for the other contributions and fees to which I have referred, it may create some difficulties not only for the employer and the trustees of any superannuation fund but also for the employee.

The State Superannuation Act makes it mandatory for the employer to deduct contributions to the State Superannuation Fund for employees who are members of that fund. If the Government's proposal is carried, I fear that it may conflict with that provision as well. So, I am seeking to replace the absolute embargo which the Government's amendment seeks to place on the deduction from weekly payments with something which still accepts the spirit of the present section 57 and also, to a very large extent, the spirit of the Government's proposal in the Bill. It is important, for the reasons which I have related, that my amendment to the schedule be carried.

The Hon. C.J. SUMNER: I accept the amendment moved by the honourable member. It clarifies the situation. It is possible that the Government amendment broadened the scope of the deductions that could be made; that was not intended. It is a Statute Law Revision Bill, which is designed to tidy up drafting matters with a view to the consolidation of the two Acts concerned—the Mental Health (Supplementary Provisions) Act and the Workers Compensation Act—and certainly there was no intention to change the import or the intention of the legislation passed previously by the Parliament. The honourable member has put an argument to the Council which has some validity, namely, that—

The Hon. R.C. DeGaris: His arguments are always valid.

The Hon. C.J. SUMNER: I am pleased to see the Hon. Mr DeGaris supporting his colleague with such enthusiasm on this occasion. The validity is that the Government's amendment was a broadening of the deductions which were prohibited, and the honourable member's amendment restricts them to what was originally intended in the legislation. Accordingly, I support the amendment.

The Hon. K.T. GRIFFIN: I appreciate the Attorney-General's indication of support for the amendment in the spirit in which it was moved.

Amendment carried; schedule as amended passed.

Title passed.

Bill reported with an amendment. Committee's report adopted.

EVIDENCE ACT AMENDMENT BILL (No. 2)

Returned from the House of Assembly without amendment.

CRIMINAL LAW CONSOLIDATION ACT AMENDMENT BILL (No. 2)

Returned from the House of Assembly without amendment.

STATUTES AMENDMENT (COMMERCIAL TRIBUNAL—CREDIT JURISDICTION) BILL

Returned from the House of Assembly without amendment.

COMMERCIAL TRIBUNAL ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

CONSUMER TRANSACTIONS ACT AMENDMENT BILL (No. 3)

Returned from the House of Assembly without amendment.

HIGHWAYS ACT AMENDMENT BILL

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

RACING ACT AMENDMENT BILL (No. 2)

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

LOCAL GOVERNMENT ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments.

SECOND-HAND MOTOR VEHICLES BILL

Returned from the House of Assembly with the following amendments:

No. 1 New Clause 28—'Second-hand Vehicles Compensation Fund.'

Page 19—Insert new clause as follows:

28. (1) A fund entitled the 'Second-hand Vehicles Compensation Fund' shall be established and administered by the Commissioner.

(2) There shall be paid into the Fund—

(a) the contributions required to be paid in accordance with section 29;

(b) any amounts recovered by the Commissioner under section 31;

(c) such amounts as are paid from the General Revenue of the State under subsection (4); and

(d) any amounts derived by investment under subsection (6).

(3) There shall be paid out of the Fund—

(a) any amount authorized by the Tribunal under section 30;

(b) any expenses certified by the Treasurer as having been incurred in administering the Fund; and

(c) any amount required to be paid into the General Revenue of the State under subsection (5).

(4) Where the amount standing to the credit of the fund is not sufficient to meet an amount that may be authorized to be paid under section 30 the Minister may, with the approval of the Treasurer, authorize the payment of such amount as he may specify out of the General Revenue of the State which is, by virtue of this section, appropriated to the necessary extent.

(5) The Minister may authorize payment from the Fund into the General Revenue of the State of any amount paid into the Fund from the General Revenue of the State if the Minister is satisfied that the balance remaining in the Fund will be sufficient to meet any amounts that may be authorized to be paid under section 30.

(6) Any moneys standing to the credit of the Fund that are not immediately required for the purposes of this Act may be invested in such manner as is approved by the Minister.

No. 2 New Clause 29—'Licensees required to pay contributions.'

Page 20—Insert new clause as follows:

29. (1) Every licensee must pay to the Commissioner for payment into the Fund such contribution as he is required to pay in accordance with the regulations.

(2) If a licensee fails to pay a contribution within the time allowed for payment by the regulations, his licence shall, by virtue of this subsection, be suspended until the contribution is paid.

Consideration in Committee.

Amendment No. 1:

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

That the House of Assembly's amendment No. 1 be agreed to.

Amendment No. 1 establishes a second-hand dealers compensation fund. When the Bill was introduced into the Council, this clause was in erased type because it was deemed to be a money clause. It has now been inserted in the Bill by the House of Assembly. The establishment of the fund from which consumers can be paid amounts that might be lost by them as a result of the default, insolvency or other circumstances relating to a second-hand motor vehicle dealer is an integral part of the legislation. Honourable members were well aware of this when the Bill was introduced. This clause, as I have already said, was in erased type, and I suggest to the Committee that it is perfectly consistent now to accept this amendment.

The Hon. J.C. BURDETT: I support the amendment moved in the House of Assembly. The compensation fund is an integral part of the scheme of the Bill and was an integral part of the scheme as proposed by the previous Government because, as has been said before, the whole Bill had been put forward in substance by the previous Government. The scheme and the Bill would not operate without the compensation fund's protection. I support the amendment.

Motion carried.

Amendment No. 2:

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

That the House of Assembly's amendment No. 2 be agreed to.

This, again, is a money clause which was in the Bill originally introduced into the Legislative Council and which appeared in erased type. It provides for second-hand motor vehicle licensees to make contributions to the fund and relates to the previous amendment that the Committee has accepted.

Motion carried.

OATHS ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

CO-OPERATIVES BILL

Returned from the House of Assembly with the following amendment:

No. 1. Page 41 (clause 59)—Leave out the clause.

Consideration in Committee.

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

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

It is a drafting amendment relating to the powers of the Corporate Affairs Commission granting exemptions under the provisions of the Act. Clause 59 appears in the Part of the Act which deals with audit, and it provides that:

The commission may, on the application of a registered co-operative grant an exemption in relation to the co-operative from all or any of the provisions of this Part.

They are the provisions which relate to an audit of a co-operative. It was considered that this clause was unnecessary when the Bill was further considered because there was already in the Bill a general clause giving to the commission the power of exemption. Clause 9 of the Bill gives the commission a general power of exemption which would also apply to the provisions of the Act in Division III relating to audit. The amendment proposed by the House of Assembly is purely a drafting amendment and does not in any way affect the operation of the Bill. I ask the Committee to agree to it.

The Hon. K.T. GRIFFIN: I support the motion. I am satisfied that it is a drafting amendment and that clause 59 really repeats the powers of the Corporate Affairs Commission already contained in clause 9 in the Bill. To eliminate the overlap, I am perfectly happy to support the motion.

Motion carried.

CRIMINAL LAW CONSOLIDATION ACT AMENDMENT BILL (No. 2)

Returned from the House of Assembly without amendment.

AIRCRAFT OFFENCES ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

REAL PROPERTY ACT AMENDMENT BILL

Returned from the House of Assembly with the following amendment:

No. 1 New clause, page 1, after line 25—Insert new clause 4 as follows:

4. The following section is inserted in Part XVIII of the principal Act after section 200:

201. (1) There shall be a fund entitled the 'Real Property Act Assurance Fund' kept at the Treasury as part of the general revenue of the State.

(2) The Assurance Fund shall have credited to it—

(a) any amounts which the Treasurer may from time to time assign to the Assurance Fund for the purposes of this Part;

and

(b) the moneys paid by way of assurance levy by virtue of the regulations.

(3) The regulations may—

(a) prescribe an assurance levy to be paid in addition to the fees, or particular classes of fees, payable under this Act;

and

(b) exempt prescribed persons, or persons of a prescribed class, from payment of the assurance levy.

(4) The Registrar-General shall keep a separate account of all moneys received by him by way of assurance levy.

Consideration in Committee.

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

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

The amendment inserts clause 4, which in turn inserts new section 201 into the principal Act to establish the Real Property Act Assurance Fund. This provision was a fundamental part of the Bill that was introduced into the Council but was not voted upon because it was considered to be a money clause and was in the Bill in erased type. The House of Assembly has inserted the clause. The provision is essential to the Bill. Into this fund will be paid moneys from real property transactions and from the fund will be paid moneys to any person who is defrauded by the operation of the Torrens title system. The Council was well aware of this proposal when the Bill was first introduced, and I ask the Committee to accept the amendment from the House of Assembly.

The Hon. K.T. GRIFFIN: I move the following suggested amendment to the House of Assembly's amendment:

Leave out clause 4 and insert the following new clause:

4. The following section is inserted in Part XVIII of the principal Act after section 200:

201. (1) There shall be a fund kept at the Treasury entitled 'Real Property Act Assurance Fund.'

(2) The Assurance Fund shall have credited to it—

(a) any amounts which the Treasurer may from time to time assign to the Assurance Fund for the purpose of this Part;

(b) the moneys paid by way of assurance levy by virtue of the regulations;

and

(c) any interest that may from time to time accrue in respect of moneys credited to the fund.

(2a) Moneys standing to the credit of the fund shall be used solely for the purposes of this Part.

(3) The regulations may—

(a) prescribe an assurance levy not exceeding the amount of two dollars per instrument to be paid in addition to the fees, or particular classes of fees, payable in relation to the registration of any, or all, of the following instruments:

(i) transfers on the sale of land under Part X;

(ii) leases and surrenders of leases under Part XI;

(iii) mortgages and discharges of mortgage under Part XII;

and

(b) exempt prescribed persons, or persons of a prescribed class, from payment of the assurance levy.

(4) The Registrar-General shall keep a separate account of all moneys received by him by way of assurance levy.

(5) The regulations prescribing an assurance levy under this section shall expire on the thirty-first day of December, 1985 and thereafter an assurance levy shall not be payable by virtue of this Part.

The suggested amendment was on file for a month or so before the matter came before the Council. It involves a suggestion to the House of Assembly to change the provision to read according to the circulated amendment. There is a typographical error in suggested new section 201(5): the date shown is 'the thirty-first day of December 1985,' but in fact it should read 'the thirty-first day of December 1988'.

When I spoke on this Bill when it was first before the Council I expressed some concern about the apparent absorption into general revenue of all moneys collected over many years by way of levy on certain Real Property Act transactions for the Real Property Act Assurance Fund. Some research has been carried out independently of Treasury as to the amount that might have been collected by way of that levy in the past. Although the figures that I have obtained are not necessarily exhaustive, they suggest that rather substantial sums, which with 4 per cent interest accumulating, may well amount to something in excess of $1 500 000 in levy and interest being paid into that fund. However, it has all been absorbed into the general revenue of the State. I am anxious to see that, if there is to be any new levy, it be—

The Hon. C.J. Sumner: What did you say was in the fund?

The Hon. K.T. GRIFFIN: I said that the levy and interest at 4 per cent would indicate that something in excess of $1 500 000 should be available in the fund. However, over time (and all Governments have been responsible for this) it has been absorbed into general revenue. The figures to which I have referred come from a check of the Treasury's revenue estimates and the actual receipts in those estimates so far as they can be identified as being applied to the Registrar-General's Assurance Fund.

For example, in 1921 the amount collected was £3 596. In 1940-41 it was £6 337, and then we come up to 1954-55, when it was something like £22 282. Therefore, with a calculation of interest on those sorts of figures, it would come to something like $1 500 000. That is in the past and has happened and, whilst it has created some concern among lawyers, landbrokers and the real estate industry, we must accept that we are starting from scratch. That means the establishment of a Real Property Act Assurance Fund by this section. I would want to ensure that any fees that are raised are appropriated to that fund and held in trust for the purposes of that fund and are not available for the general revenue of the State.

The House of Assembly's amendment provides that the fund shall be kept at the Treasury as part of the general revenue of the State. I think that that is a bit ambiguous and, therefore, my amendment provides that there shall be a Real Property Act Assurance Fund. Under suggested clause 28 (2)(a), moneys standing to the credit of the fund shall be used solely for the purposes of Part XVIII of the principal Act.

The House of Assembly amendment also says that the assurance fund is to have credited to it any amounts that the Treasurer may from time to time assign to the assurance fund and the moneys paid by way of assurance levy by virtue of the regulations. I have no objection to the Treasurer making payments to the fund. In fact, during the second reading debate I asked whether or not the Treasurer would do that. However, the answer I received was 'No': there were no present plans for that. So be it.

If the power is there for the Treasurer to make funds available to the assurance fund, that will redeem some of the appropriations of the past. It is also important that moneys paid by way of assurance levy go into the fund.

However, in addition to that, I want to see that any interest that may from time to time accrue in respect of moneys credited to the fund, goes into the fund. There is no reason at all why the general revenue of the State ought to benefit from the investment of the assurance levy. It ought to be applied to the fund. Therefore, my amendment pursues that course rather than the course of the House of Assembly amendment.

In the House of Assembly amendment there is power to make regulations that prescribe an assurance levy to be paid in addition to the fees or particular classes of fees, and to exempt certain persons or class of persons from payment of the assurance levy.

That is too loose. The Attorney-General, in Committee, indicated that it was the intention to levy a fee not exceeding $2 per instrument on transfers, leases and surrenders of leases, mortgages and discharges of mortgages. Because of the history of the fund, the power to make regulations ought to be more specific and the maximum fee to be levied ought to be a fixed $2. If that is to be increased in the future, an amending Bill can come back to the Parliament and we ought to identify arguments on which the fee may be levied if the regulations so prescribe. They are transfers, leases and surrenders of leases, mortgages and discharges of mortgages.

The Hon. C.J. Sumner: They are the ones that we have agreed to.

The Hon. K.T. GRIFFIN: Yes, but I am seeking to limit the regulation-making power to ensure that the maximum fee which is levied is no more than $2 and that no other instruments can be prescribed. If other instruments are to be prescribed, they can be included by way of amendment to the Statute at some later stage. My suggested amendment retains the power to exempt prescribed persons or persons of the prescribed class.

My subclause (4) is the same as the House of Assembly's subclause (4): the Registrar-General is to keep a separate account of all moneys received by him by way of assurance levy. But, I add a subclause which seeks to put what is, in effect, a sunset period provision into the Bill so that the regulations prescribing the assurance levy are to expire in some 5½ years. I can accept that, if it were 1985, that would be somewhat too brief a period. But, 5½ years gives us an opportunity to see how the levies come in and how they are applied, and to get some recorded experience of claims against the assurance fund.

One of the difficulties with the old assurance fund is that very inadequate records have been kept both of the levies and the application of the levies and, although we know that some $90 000 was paid out of Consolidated Revenue last year with my approval and that of the Government, we do not know what other claims have been made and paid out over the past few years. So, 5½ years will give us an opportunity to assess the performance of the fund and the claims record.

The period to 31 December 1988 is reasonable and will not prejudice the way in which this whole fund operates. In one way or another, the claims against the Registrar-General will have to be satisfied and, provided that a proper and adequate record is kept of the assurance levies and their application under this fund, I can see no problem in continuing it by an amending Statute in five years time.

The Hon. C.J. SUMNER: The amendment moved by the honourable member is not acceptable to the Government, although I can understand some of the arguments that he has put. I appreciate the fact that he has accepted that, as far as the past is concerned, it is now not possible to ascertain with any certainty the amount that could be considered to be part of the assurance fund.

The honourable member referred to a sum exceeding $1 000 000, including interest that might have accrued on the moneys paid to Consolidated Revenue, the purpose of the fund when there was such a levy, although the levy was stopped a considerable time ago. It may be that there is money in this notional fund at this time, but it is impossible for the Government to ascertain exactly how much it might be, so I accept and appreciate the fact that, as the Hon. Mr Griffin has said, because of what I would have thought to be a fairly loose accounting practice, the precise amount in the fund is not known at present.

I find that situation odd. Certainly, one would have thought that a levy which operated previously for such a fund would have been accounted for separately, but it was not, and at this point it is apparently virtually impossible to ascertain the precise amount that can be considered to be in the notional assurance fund. We are on common ground when we say that the situation now has to be considered afresh. I do not believe that the differences in approach between that of the Hon. Mr Griffin and the Government are all that great. The honourable member says that there should be a separate trust fund and that payments to it under this legislation should have a cut-off date, with 1988 being the suggested date.

The Government does not believe that it is necessary to have such a separate account. Obviously, from the Bill and the House of Assembly's amendment, the Government accepts that an assurance fund must be established by the legislation, and that there must be separate accounting for that fund which has not occurred up to the present time. We do not see that there is any need actually to hold the money in a separate trust account. That would be necessary only if there was a pending situation where the State Government's finances might not be able to meet claims to the fund from Consolidated Revenue, and that situation is not likely to occur at any time.

There is no compelling reason for having a separate trust fund, the money to be paid into Consolidated Revenue and a separate accounting kept of the funds which constitute the assurance fund. That is the Government's proposition, and we believe that it is acceptable. The problem could arise under the Hon. Mr Griffin's amendment where there would be no money in the fund to pay any person who was aggrieved by a default or deceit of another person. That could mean that a person who was defrauded and made a claim against the fund could find that in the separate trust account there was no money, and the Government could say, 'That is tough.' I do not know that a Labor Government would say that, but perhaps some future Government may take a hard-hearted attitude on it.

That is the reality. If we had a separate fund and claims were made against that fund and there was no money available, the Government would not be obligated to pay out of the fund. There is no real difficulty with the situation as envisaged in the Government Bill, where the money is paid in. If a claim is made on the fund it can be paid out of the notional figure plus an amount out of Consolidated Revenue and, subsequently, the amount can be reimbursed to ensure that the fund is not in the red. That is the advantage in the approach adopted by the Government.

The sunset clause, which would conclude the contributions to the fund in 1988, is not really necessary. If in 1988 it appears that the fund is burgeoning, that there is ample money to meet future claims, Parliament could stop the levy at that time. We do not know whether that will occur, but it is a matter that can be considered at that time rather than putting a finite period on contributions to the fund at this stage. The Government's approach gives greater flexi-

bility. Parliament will observe in the Budget papers each year the precise amount of money that is in the fund and, if it appears that the fund is excessive, Parliament can make the necessary adjustments. It is not that there will be any accounting confusion, as has occurred in the past. A specific report on the amount held in the Real Property Act Assurance Fund will appear in the Budget papers. I believe that the honourable member's amendment should be rejected.

The Hon. K.T. GRIFFIN: The Attorney knows as well as I that the fact that this fund appears on a line in the Budget is no guarantee that it will be carefully scrutinised. The only assurance that it will be scrutinised effectively is to put a date on it at a reasonable time in the future when the legislators, the Government of the day and the Registrar-General are to apply their minds to the sorts of questions that I have raised. I believe that it is important to have a reasonable time limit on the operation of this additional levy made on Real Property Act documents.

The Attorney-General is drawing a red herring across the path when he suggests that if there is no money in the fund a Government may be disposed not to supplement it from Consolidated Revenue. Only last year, $90 000 was paid out of Consolidated Revenue to meet a claim against the Registrar-General for fraud. Any Government that wants to maintain the stability of the Real Property Act system will underwrite it. The very fact that a formal fund is established will not in any way prejudice anyone from seeking to recover from the Registrar-General. My amendment is a tighter amendment. It requires Governments to exercise a little more self-discipline than is the situation under the Government's proposed clause. I urge the Committee to support my amendment.

The CHAIRMAN: I think I heard the honourable member say that he wanted the term to be five years and a correction of the date to 31 December 1988 to be made.

The Hon. K.T. GRIFFIN: Yes, I move it in that form.

The CHAIRMAN: The honourable member also mentioned an earlier amendment which had been drafted some time ago but which was not on file.

The Hon. C.J. Sumner: It is on file.

The CHAIRMAN: No, this amendment was not placed on file, although it had been drafted some time ago. The honourable member mentioned that it was not on file although it had been drafted some time ago: therefore there was no amendment to which his suggested amendment could apply.

The Hon. K.T. GRIFFIN: That may have been the technical position, although what I said was that it had been drafted some time ago, and I intended to convey the fact that there was an amendment.

The Hon. K.L. MILNE: I ask for clarification on two matters concerning these amendments. Is the Hon. Mr Griffin suggesting that the fund should have a separate bank account? It seems to me that both of them will be kept by the Treasury. Will it be a separate bank account kept by the Treasury? If that is not to be the case, the effect will not be very different from the Government amendment that it shall be kept at the Treasury and be part of general revenue, because my understanding of the Hon. Mr Griffin's suggestion is that it would be part of general revenue anyway. Secondly, the Hon. Mr Griffin mentioned interest. May I ask whether it is intended that an account in the Treasury will accrue interest and whether that interest will be added to the account? Alternatively, will it be similar to the lawyers trust fund or the land agents trust fund where interest does not accrue? I ask this because I understand that the money is being taken from the private sector to create this fund, and so I would like to know whether it will accumulate interest.

The Hon. K.T. GRIFFIN: In regard to the first matter raised by the Hon. Mr Milne, the House of Assembly's amendment provides for the identification of a fund which would be kept at the Treasury as part of the general revenue of the State. What I am seeking to do is establish a separate fund at Treasury which cannot be applied as part of general revenue to the State.

The Hon. K.L. Milne: That would be a separate bank account?

The Hon. K.T. GRIFFIN: The Treasury would not necessarily keep a separate bank account. In its books it would keep it as a separate fund. That then follows on to the second question about interest: if there is a separate fund maintained by Treasury, I want to ensure that the money collected by Treasury from real estate transactions does earn interest.

The Hon. K.L. Milne: You would be treating it as if the Government is borrowing it?

The Hon. K.T. GRIFFIN: Yes, that is right. The Treasury already uses the funds of some instrumentalities, for example, for its internal funding arrangements, but it applies interest at the accepted Treasury rate for the use of those funds, and they are credited to the instrumentality. I envisage that with this fund the Treasury will keep separate funds which cannot be appropriated.

The Hon. K.L. Milne: How would you know if it was appropriated or not?

The Hon. K.T. GRIFFIN: It will be in the records of the Government which are laid before the Parliament.

The Hon. K.L. Milne: It will be in the one Government bank account.

The Hon. K.T. GRIFFIN: But if the Government uses it, it will pay interest on it.

The Hon. K.L. Milne: They will use it because it is as if they are recording a loan from another source, from a loan raising exercise.

The Hon. K.T. GRIFFIN: That is right, but with my proposed amendment the advantage is that it is put beyond doubt that it is not part of the general revenue of the State to be applied to uses and purposes other than this one. It can be borrowed, in effect, by Treasury.

The Hon. K.L. Milne: The account will be in the books, but the money will be in the Treasury bank and you do not know where it is in that bank account.

The Hon. K.T. GRIFFIN: That does not matter.

The Hon. K.L. Milne: Why not?

The Hon. K.T. GRIFFIN: If there is $50 000 in the account, that will be identified in the annual accounts of the Government of South Australia laid before the Parliament as $50 000 in this fund. It may be that the State has borrowed that $50 000 and is paying 10 per cent interest on it and that that is accumulating. However, that is different from it being part of the general revenue of the State when, as has happened in the past, the Treasury can just siphon it off to use on schools, for instance, without accounting for it to the fund. In the past the calculations which have been made for me suggest that the levy, which has been paid since 1920 or 1921, plus interest at 4 per cent, can be reasonably assumed to have accumulated $1 500 000 in Treasury. That was accumulated pursuant to the Real Property Act by way of levy on instruments and credited to the Registrar-General's assurance fund, but it is dissipated in the general funds of the State. I do not want to see that happen again.

The Hon. K.L. Milne: You mean that there is no account in the Government's books?

The Hon. K.T. GRIFFIN: There is none at all.

The Hon. C.J. Sumner: That will not happen under this legislation.

The Hon. K.T. GRIFFIN: Under my proposal it will not. The problem you have with the Government's amendment is the words 'kept at the Treasury as part of the general revenue of the State'. What I want to do is remove that reference to 'part of the general revenue of the State' so that there is no doubt at all in future that this is a fund which is dedicated—

The Hon. R.C. DeGaris: In other words, can never be lost.

The Hon. K.T. GRIFFIN: It can never be lost and is dedicated to the purpose for which it was established. I suggest that there is a very real difference between my proposal and the Government's amendment. There are other parts of my proposal which I think tighten up considerably on what the Government has proposed. I want to make sure we do not have a repeat performance of the 1920s through to the 1950s of this fund accumulating to such an extent that it is grossly oversubscribed and is not needed. We want to keep the costs—

The Hon. K.L. Milne: It is subscribed but not there.

The Hon. K.T. GRIFFIN: It is not there: it is lost.

The Hon. C.J. Sumner: That will not happen because we are establishing the fund and it will have to be accounted for.

The Hon. K.T. GRIFFIN: I want to put that beyond doubt.

The Hon. K.L. Milne: If it is not there, why shouldn't any Government refund it and return it to what it ought to be?

The Hon. K.T. GRIFFIN: I asked that during the second reading debate and the Committee stage, and the Attorney-General said that the Government has no intention of doing that. Last year the Liberal Government approved the payment of $90 000 out of general revenue of the State to meet a claim against what would have been in the general assurance fund.

The Hon. K.L. Milne: What should have been in the fund.

The Hon. K.T. GRIFFIN: I agree. What I am proposing is considerable clarification or tightening up to ensure that we do not have this debacle every year and that there is a positive requirement that at least the progress of events has been renewed in 5½ years time.

The Hon. C.J. SUMNER: I think it is common ground that the situation that existed previously was somewhat unsatisfactory. There was no separate accounting kept so that, although there was a notional fund established, the money that was collected on real estate transactions did not find its way into any account or, indeed, into any notional account in the Treasury.

The Hon. K.T. Griffin: It did in early years.

The Hon. C.J. SUMNER: What this Bill does is establish a fund, but it provides that the money collected is part of the general revenue but is accounted for separately, so that every year in the Auditor-General's Report, presumably, in the statements given to Parliament there will appear an indication to Parliament and the public that there is a Real Property Act assurance fund with a certain amount of money attributed to it.

The Hon. K.L. Milne: That's not what it says.

The Hon. C.J. SUMNER: That is the Government's amendment.

The Hon. K.L. Milne: The Government's amendment doesn't quite say that.

The Hon. C.J. SUMNER: The honourable member might be able to tell me how it does not, because it says that there shall be a fund entitled the 'Real Property Act Assurance Fund' kept at the Treasury.

Members interjecting:

The Hon. C.J. SUMNER: It seems to be somewhat of a semantic argument. I do not know that there is any compelling need for the honourable member's amendment. Surely, the establishment of the fund is sufficient. There is then public accountability through the Parliament and through the Auditor-General for the amount that is notionally kept in the fund and from which payments would be made by the Government. As I said before, the honourable member's approach may sometimes leave nothing in fund.

The Hon. K.L. Milne: There is nothing there now.

The Hon. C.J. SUMNER: I appreciate that there is nothing there now but, if we are going to create a situation where we establish a new fund, the honourable member's approach may in the future mean that, because of payments out of the fund, there is nothing in the fund. Then the Government would be required to pay money into the fund. How would it in those circumstances recoup in order to ensure that the fund was topped up back to the original position? In other words, there is the possibility under the honourable member's proposition that the fund will be caught short and have to be made up out of consolidated revenue.

Members interjecting:

The Hon. C.J. SUMNER: I do not really see the need for the honourable member's amendment, because I would have thought that, if the Parliament established a fund and if it were separately accounted for at the Treasury and it is available from scrutiny by Parliament and the Auditor-General, there is no need to take the step that the honourable member is suggesting. However, if such an approach were to be followed, it would be essential to incorporate in the legislation a provision for consolidated account to recover from the fund in subsequent years any contribution which the Treasurer was called upon to make subject to new section 201 (2) *(a)* of the Bill; otherwise there would be provision for the Treasurer to underwrite the fund in the event of a large claim but no means whereby he could recover his advance by subsequent contributions.

That is a defect in the honourable member's amendment. As I said, it would mean that the Treasury would be caught short by being out of funds, funds then being recouped by the Treasury. That matter will have to be attended to if honourable members follow the track proposed by the Hon. Mr Griffin. All I am saying is that I do not believe it is necessary to proceed in the way the Hon. Mr Griffin has suggested. The fund will be separately accounted for, it will be shown as a separate fund, and the amount in the fund will be shown separately. If that amount becomes excessive in the eyes of the Parliament or the Government, adjustments to the levy will be made. The levy may be stopped, but presumably the fund could continue and would still be shown as an amount paid into the Treasury and kept as part of general revenue.

The only way in which the fears expressed by the Hon. Mr Griffin would be realised was if Parliament in five or six years decided to abolish the fund. I do not really believe that that is being suggested. The fund will remain, and at some point, if the fund builds up, surely it would be possible for the Government to propose to the Parliament that the levy be stopped or reduced. I do not believe there is any suggestion that the fund continue for eight or 10 years and then be abolished, and that the moneys in the fund become part of consolidated revenue. Once the fund is established, one would expect it to be maintained. It is provided for in legislation, and it will be maintained in legislation.

The fund will continue as an item in the accounts that are presented to Parliament. I do not see that there is any compelling reason for proceeding in the way suggested by the honourable member. If we do that, I believe that consequential amendments would have to be made to ensure that the Treasurer could recover moneys from the fund if

he had to pay out at any particular time more than the sum in the fund.

The Hon. K.T. GRIFFIN: I do not believe that consequential amendments to my proposed amendment would be necessary. If we talk about the Treasurer slipping in money and taking out money, we start to establish grounds for concern about the ways in which the fund will operate and the basis for the tight provisions I am considering.

Members interjecting:

The Hon. K.T. GRIFFIN: It is all very well to wipe the slate clean but, if in the next couple of years there are claims that require the Treasurer to make an appropriation to the fund, it will have to be balanced against the amounts that the Treasurer has had the use of and has applied to other purposes of the State over the past 60 years. Certainly, the records are inadequate, but on a reasonable calculation something in excess of $1 500 000 would be involved.

I do not believe we should be fiddling with the suggestion that the Treasurer be reimbursed. The Treasurer has had a pretty good day so far and, if there happens to be some deficiency in the assurance fund over the next 5½ years, the Parliament will have to reconsider the matter. Alternatively, the Treasurer must take into account the fact that he has had it so good for 60 years and it is about time he helped to pay the piper.

The Hon. C.J. SUMNER: The problem is that the honourable member is not wiping the slate clean. He is not accepting that the previous accounting of the fund was inadequate. I believe that everyone agrees, as I indicated previou[illegible] that it is not a matter of any of the recent Governn[illegible]s being involved in this matter, but for some reason pro[illegible]er separate accounting of this fund was not carried out.

In modern-day thinking, that seems to me to be somewhat extraordinary. Nevertheless, it happened, so it is now not possible to ascertain how much money was collected and was in the fund. The records are just not adequate enough to allow us to arrive at that calculation. Therefore, we are now starting afresh. That is the whole purpose of the legislation: to recreate the fund to pursue the purpose that was intended in the original Real Property Act—theTorrens title system—whereby there was, in effect, an indemnity provided by the Government for the title issued by the Government—in effect, a title guaranteed by the Government.

In those circumstances, it is felt that there ought to be a fund from which people can be compensated if they lose their title as a result of fraud or something of that kind. That is the concept of the fund, and it is consistent with the Torrens title system and probably an integral part of it. It is a pity that the precise accounting of the fund got lost back in history, but it did.

I think that, if we are to start from the present time and wipe the slate clean, it is not fair for the Hon. Mr Griffin to go back and say, 'Well, the Treasurer has had the benefit of all this money in the past; therefore, in the future, if the Treasurer is caught short, he should not have to have a claim on the fund or future contributions to the fund.' That seems to me to be inconsistent with the notion of wiping the slate clean.

All I am saying to members is that, if they are to go down the track suggested by the honourable member, they ought to provide in the legislation for the Treasurer to recoup out of the fund if at any time the Treasurer has to, in effect, pay into the fund to pay out compensation to a person who makes a claim against it. That is not provided for in the fund, so one would end up having a situation where the Treasurer, out of consolidated account, could be making a payment to an individual when the fund had an adequate amount in it, and then in the future not being able to recover that amount. Over the next 10 years the fund may then build up to a substantial sum, yet in the early part of the fund the Treasurer would have made a payment out but not even be able to recoup in the future. I would have thought that that was fairly obvious to honourable members, and assuming the fund starts on 1 January 1984, if on 5 January the Treasurer has to pay out a claim on the fund of $150 000 which is paid out at the end of January, by that time the fund would have that money in it. If it was to be met by anyone, it would be met by the general revenue.

There may not be another claim for 10 years and the fund might build up to $2 000 000 or $3 000 000. If that happens, the Treasurer has lost his $150 000 at the commencement of the fund and has no means of recouping it in the future if the Committee agrees to the Hon. Mr Griffin's amendment. If the Government's proposal is proceeded with, that situation does not apply and, as the money comes into the fund, the Government has it as part of general revenue and, in effect, recoups without any separate transaction taking place. However, throughout that whole period, a separate accounting fund would be maintained under the law so that Parliament, the Auditor-General and the public would know at any time how much money was in it.

The Hon. K.L. Milne: No.

The Hon. C.J. SUMNER: Why?

The Hon. K.L. Milne: Because it will be caught up in general revenue.

The Hon. C.J. SUMNER: But there will be presented to the Hon. Mr Milne every year during the Budget period, when the Auditor-General presents his report to Parliament, a line reading, 'Real Property Act Assurance Fund—contributions from the levy on transactions, X hundred thousand dollars'—year after year. If in 10 years time one finds $10 000 000 in it, that would be a time for Parliament to consider stopping the levies going into the fund, but one would always know at any time the amount of money going into the fund.

The Hon. K.L. Milne: Will we see the payments made from it?

The Hon. C.J. SUMNER: Yes.

The Hon. K.L. Milne: Will we see the statements such as profit and loss, and expenditure accounting?

The Hon. C.J. SUMNER: I do not know exactly what would appear in the Budget documents, but the intention—

The Hon. K.L. Milne: We are not interested in the net result; we want to know what went in and what went out.

The Hon. C.J. SUMNER: Whether it would appear on the actual documents presented to Parliament I do not know, but certainly the information would be available to the Parliament. Certainly, the fund would appear in the documents of the Government, either through the Auditor-General's Report or through the statements presented to Parliament by the Treasurer every year. A separate fund would be established under the Bill. The only difference is that, as far as the Government's amendment is concerned, the money would sit in general revenue. The Hon. Mr Griffin does not agree with that; all I am saying is that if one goes down the track proposed by the Hon. Mr Milne one would wipe the slate clean and the Treasurer would be caught short.

The Hon. K.T. Griffin: He would be caught short under your proposal.

The Hon. C.J. SUMNER: No, he would not get caught in the example that I have provided because the money would accrue to the general revenue over the ensuing year. That would not apply in the case of the Hon. Mr Griffin's amendment.

The Hon. R.C. DeGaris: Is there anything in the Hon. Mr Griffin's amendment that prevents Treasury from lending the money if the funds fall short?

The Hon. C.J. SUMNER: I do not know whether that would be possible. Certainly, my advice from Treasury is that if one is going down the track suggested by the Hon. Mr Griffin it is necessary to have further amendments to cater for the suggestion outlined. What the Hon. Mr DeGaris says may be correct; I do not know.

The Hon. K.T. Griffin: The same applies in your example.

The Hon. C.J. SUMNER: It does not apply in my example. Because the money is going into general revenue subsequently any money the Treasurer may have to pay out (for instance, at the beginning of the scheme) could be paid out into the levy as time goes by. Under the Hon. Mr Griffin's suggestion, the Treasurer could make a payment early in the levy scheme and then not have any power to be reimbursed from the fund, even though the fund may in the future develop into a substantial amount of money.

The Hon. K.T. Griffin: But any general revenue you will have to pay into the fund, anyway.

The Hon. C.J. SUMNER: In my example it would be paid out of general revenue. On 30 January 1984, if there were a claim for $150 000 the fund would then be short, but it could then be picked up by the levy over the next two or three years.

An honourable member: Why do you oppose the amendment?

The Hon. C.J. SUMNER: Because the Treasurer could not, under the Hon. Mr Griffin's amendment, recoup that money from the fund unless he added a further amendment to the proposition that he put. That is quite clear. In talking about wiping the slate clean, I do not think that the honourable member's amendment does that, and I ask the Committee to support the clause as originally inserted by another place.

The Committee divided on the suggested amendment:

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

Noes (6)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, Anne Levy, and C.J. Sumner (teller).

Pairs—Ayes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson. Noes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese.

Majority of 3 for the Ayes.

Suggested amendment thus carried; motion with suggested amendment carried.

ACTS REPUBLICATION ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

ACTS INTERPRETATION ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

WHEAT MARKETING ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

METROPOLITAN MILK SUPPLY ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

BARLEY MARKETING ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

STATUTES AMENDMENT (WHEAT AND BARLEY RESEARCH) BILL

Returned from the House of Assembly without amendment.

MINING ACT AMENDMENT BILL (1983)

Returned from the House of Assembly without amendment.

COUNTRY FIRES ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

HIGHWAYS ACT AMENDMENT BILL

Second reading.

The Hon. FRANK BLEVINS (Minister of Agriculture): I move:

That this Bill be now read a second time

The purpose of this small amending Bill is to raise the percentage allocation from the Highways Fund under section 32 (1) *(m)* (i) of the Highways Act, 1926-1982, in respect of road safety services provided by the Police Department. At present, a contribution equal to 9.8 per cent of the fees received by the Registrar of Motor Vehicles by way of motor vehicle registration fees is applied for this purpose. When this provision was first enacted in 1971, the contribution was fixed so as to recover about 75 per cent of the costs estimated to be incurred by the Police Department. If the contribution rate is left unchanged at 9.8 per cent, then only 41 per cent of the costs in 1982-1983 will be recovered from the Highways Fund. It is desirable to work towards the intention of the original legislation over the next year or two, and to that end the percentage levy is increased by this Bill to 12 per cent.

The effect of the increase is to recover 50 per cent of the estimated police costs. The period in relation to which the increase is to operate is the 1982-83 financial year; consequently, it will be necessary for the measure to have retrospective effect from 1 July 1982. Clause 1 is formal. Clause 2 provides that he measure shall be deemed to have come into operation on 1 July 1982. Clause 3 amends subparagraph *(i)* of paragraph *(m)* of subsection (1) of section 32 by substituting the percentage figure of 12 for the existing percentage figure of 9.8.

The Hon. M.B. CAMERON (Leader of the Opposition): The Opposition supports this Bill somewhat reluctantly. The move has now been made to take a great percentage of the Highways Fund for the purposes of paying for safety programmes within the Police Department. Of course, the end result of that will be effectively to deprive the road maintenance programme of South Australia of an amount of money, amounting to approximately $1 000 000.

The Opposition is fully aware that the Liberal Government took similar steps to increase the percentage of the Highways Fund allocated to the Police Department: it went from 6

per cent to 9.8 per cent for the period between 1980 and 1982. However, the provisions in this Bill take that one step further: it is intended to take it up to 12 per cent, which equates to approximately $1 000 000.

A sum of $1 000 000 is being made available from the Road Maintenance Fund for the Highways Fund, which means that less work will be done on road maintenance. I know that the Hon. Mr Dunn, who is now Acting President, would be fully aware of the end result of that, bearing in mind the area from which he comes. It is disturbing that this trend is continuing.

While the Opposition expresses its grave concern about this undertaking, I point out that Opposition members are even more concerned about what the Government intends to do. This will provide 50 per cent of the funds needed for the road safety programme, but the Government intends to increase that amount to 75 per cent in the next move, which will increase from 12 per cent to 18 per cent the sum allocated from the Highways Fund. This, of course, will lead to a very drastic diminution in the amount of money that will be spent on roads, particularly on country roads in South Australia.

It is a fact that a very serious situation now exists in South Australia in regard to road maintenance. Many country areas are in very great trouble in relation to roadworks, and I know that you, Sir, have drawn attention to this matter. The number of really top class roads is really very low indeed. One council area in the Eyre Peninsula region has only 50 miles of sealed road within its area where roads total in length about 1 000 miles. That is not very much sealed road; this leads to a lot of complaints from people who are attempting to produce goods. The Opposition gives the Government notice that, while reluctantly supporting this provision, it considers that this is going far enough and that it will not support any further moves to increase the amount of money taken from the Highways Fund for this purpose

It would be interesting to have an answer to the question about which roads will not be constructed, and which roadworks will suffer as a result of this present move. In fact, a specific question was asked of the Minister in the other place about which road programmes would suffer from this move. The Minister said that he was unable to specify the roadworks involved, but he undertook to obtain the information and provide it. That was on 13 May. I ask the Minister in charge of this Bill, who must surely by now have that information, which roadworks will not continue as a result of this Bill.

I do not believe there is any purpose in going over what was said in the other place, but there is no doubt that there is in this State a great backlog of roadworks which need to be done. This move will only add to that problem. It is time that we had a good look at the way in which we are directing highways funds and made absolutely certain that there is no further requirement, as indicated by the Government, and that it does not make that particular move. The Opposition supports the Bill.

The Hon. FRANK BLEVINS (Minister of Agriculture): I thank the honourable member for his contribution to the second reading debate. I appreciate his comments, particularly about some roads, but not all roads, on Eyre Peninsula. I know that the Leader has a great deal of concern about road safety. In fact, I would say that if the Hon. Martin Cameron is going to be remembered for anything when he leaves this Parliament it will be for electoral reform and road safety. However, I am sure that he, like other honourable members, is aware that it has to be paid for and that considerable costs are incurred by the police.

This Bill seeks only to take a step along the road to the content of the original legislation, so really it is not setting any precedent at all. I regret to inform the honourable member that at this stage I do not have answers to the questions asked in the other place. However, I promise to ask the Minister of Transport to obtain those answers and give them to the people concerned. I should have thought that it would be extremely difficult to identify any project, just as it would be equally difficult to identify particular people's lives that would be saved by an increase in funding to the police in this way. However, as the Minister of Transport gave that undertaking, I will remind him of it. I thank the Hon. Mr Cameron and the Opposition for their support.

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

RACING ACT AMENDMENT BILL (No.2) (1983)

Second reading.

The Hon. J.R. CORNWALL (Minister of Health): I move:

That this Bill be now read a second time.

It contains provisions designed to enable the introduction by the Totalizator Agency Board of self-service totalizator ticket issuing machines in South Australia at selected sites for a trial period of up to six months. The selftote terminal is a self-service ticket issuing machine. It offers a simple method of operation, which is essential for public acceptance, and has been produced after an extensive research and development programme. The machine will be designed for selling only and all winning tickets will be 'cashed in' at T.A.B. agencies.

In the first instance, the introduction of the machines would be on a trial basis for up to six months. After that period, a review of effectiveness and profitability would be undertaken and a report submitted. If the Totalizator Agency Board then wished to proceed to introduce machines on a wider scale the proposal would then be placed before Cabinet. If the terminals are introduced on a permanent basis every location at which they operate will need the separate approval of the Minister.

The major objectives of the introduction of the terminals are to provide additional urgently needed funds to the industry and to give the public a more accessible T.A.B. service. The Government would also benefit directly through sharing any increased T.A.B. surplus with the racing industry. Another significant potential benefit of this scheme is the opportunity it provides for reduction in illegal S.P. betting. Any reduction of illegal betting must bring financial benefits to the racing codes and to the Government.

The locations will be selected where T.A.B. facilities are currently not available. Since the T.A.B. will require a person or persons to be responsible for the terminals in each of the locations selected, which will be under constant supervision, the problem of prevention of illegal 'under age' betting is not likely to occur.

It is the opinion of the Totalizator Agency Board that the terminals would not have a detrimental effect on employment within T.A.B. In fact, if the trial proves to be successful and a network of these terminals is installed throughout the State, there is a possibility that extra staff would need to be employed to maintain them. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 amends the definition section

of the principal Act by inserting a definition of 'automatic totalizator betting machine'. This term is defined to mean a machine that is capable of automatically issuing a totalizator betting ticket upon the insertion in the machine of money or a token, card or disc. Clause 3 amends section 51 of the principal Act which sets out the functions and powers of the Totalizator Agency Board. The clause adds to the existing power of the board to establish offices, branches and agencies for off-course totalizator betting the power to provide automatic totalizator betting machines for the conduct of off-course totalizator betting.

Clause 4 amends section 61 of the principal Act which requires Ministerial approval for the establishment of branches, offices or agencies of the board for the conduct of off-course totalizator betting. The clause adds to this provision a requirement that the Minister's approval must be obtained before an automatic totalizator betting machine is installed in any premises. Under the clause, the Minister is, in determining whether or not to give his approval, to have regard to the proximity of the premises to places of public worship, schools and other educational institutions and such other matters as he considers relevant.

Clause 5 amends section 62 of the principal Act which provides at subsection (1) that the board shall not accept an off-course totalizator bet other than a bet that is made by the deposit of the amount of the bet at an office, branch or agency of the board or a bet made by letter, telegram or telephone message to an office, branch or agency of the board by a person who has established and maintained in accordance with the rules of the board an account that is sufficiently in credit to meet the amount of the bet. The clause adds to this provision as a further authorised method of making an off-course totalizator bet the insertion in an automatic totalizator betting machine of cash for the amount of the bet, or the insertion of a token purchased from the board for the amount of the bet, or the insertion in the machine of a card or disc issued by the board to a person who has established and maintained in accordance with the rules of the board an account that is sufficiently in credit to meet the amount of the bet.

The Hon. M.B. CAMERON (Leader of the Opposition): I oppose this Bill. This matter will involve a conscience vote, so I speak for myself and not for the Party. This Bill has been ill thought out. It will not afford the same degree of control over betting as applies at present under the T.A.B. Under the Racing Act, people under the age of 18 years are prohibited from placing a bet with the T.A.B. While it is not proper for people under the age of 18 years to drink in hotels, the reality is that that occurs. Sufficient action has not been taken by any Government (and may I say that advisedly) in relation to this problem. It is a major problem, with which there have been attempts to grapple, but it comes back to the judgment of the publican and whether or not he allows 'under age' people to drink.

The Hon. J.C. Burdett: We cannot stop them there—that is the point.

The Hon. M.B. CAMERON: I agree. Children may be involved. For that reason alone, I would oppose the Bill, because it could lead to a very grave problem in that young people would be influenced by the easy accessibility of this form of gambling. The Bill involves a concept that is totally different from a casino. One must actually go to a casino and make a point of betting, and there is control of 'under age' betting. A casino is a different concept altogether.

These machines, however, may be installed in public situations where there is not sufficient control, and I am extremely concerned about that. It has been stated that there will be a trial period but, from what the Minister said, the trial period does not relate to whether or not social problems arise but merely to whether or not the machines are successful. I suppose that they will be successful. Really, it comes back to whether or not other issues are involved rather than whether or not the machines are successful on a financial basis.

The Hon. J.C. Burdett interjecting:

The Hon. M.B. CAMERON: That is correct, and I do not believe that that will happen, because the Bill does not contain a sunset clause. I have considered proposing a sunset clause, which I firmly believe is the correct course but, even if the Bill contained such a clause, I would have some doubts whether it would be successful. The Minister has stated (page 1645 of *Hansard*):

> All we are doing is endeavouring to extend this service to people who wish to have an investment on the races. I do not see this as a great debate. The T.A.B. will just be doing a trial in a few locations to assess whether or not these machines are successful.

That statement concerned me, because I would like to see an assessment of whether or not the machines are successful and I am also worried about 'under age' betting. There is no restriction on where the units can be installed. It is of concern that the Minister alone has the power to approve locations.

I believe that that is a matter over which there should have been and still should be some Parliamentary control. I suppose that it is a Bill which one should go through and try to straighten out the problems. However, I believe that it is so badly thought out and there are so many problems in it that it is probably better for the machines not to even start operating, and I have some reservations about them as a concept. The T.A.B. is fairly widespread throughout the community already. In the majority of circumstances there are places where people can place their bets and it is possible to place some bets by telephone if one has a credit rating with the T.A.B. Therefore, I think that people have sufficient outlets and, therefore, without going into great detail I indicate that I will be opposing this Bill.

The Hon. R.I. LUCAS secured the adjournment of the debate.

INDUSTRIAL CONCILIATION AND ARBITRATION ACT AMENDMENT BILL

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

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

That this Bill be now read a second time.

The Industrial Conciliation and Arbitration Act is the principal piece of industrial legislation in this State. It tackles the very essence of industrial relations, the regulation of the employment relationship, and provides the means and procedures by which industrial disputes can be settled. It is an Act that has been much amended. In 1981, despite the fact that the Cawthorne review of that Industrial Conciliation and Arbitration Act was still in progress, the Liberal Government attempted to amend the Act on three occasions, only two of which were successful.

The main thrust of the 1981 amendments was to place a straight-jacket on the Industrial Commission in the exercise of its jurisdiction under the Act. The Bill introduced in August 1981 required, amongst other things, that industrial authorities pay due regard to the public interest and in particular the state of the economy in arriving at decisions affecting remuneration and working conditions. The Bill provided that industrial authorities were to give special regard to the likely effects of the decision on the level of unemployment and inflation at the State level.

In introducing the Bill, the former Minister stated that the Bill sought:

> ... to bring the jurisdiction of industrial tribunals in South Australia more into line with that of the Australian Conciliation and Arbitration Commission so that with the abondonment of the wage indexation system our State tribunals would be required to apply similar principles of wage fixation as those currently being applied by the Australian commission.

The amendments contained in the August 1981 Bill placed an unworkable burden on the Industrial Commission by requiring it to have regard to factors that were not quantifiable and were directly contrary to the commission's prime function of preserving industrial peace. It was, and is, the widely held view in the industrial relations community, on both sides of the fence, that these particular amendments were incapable of practical application. The August Bill also sought to fetter the discretion of industrial tribunals in this State by forcing the commission to apply without variation any principles determined at the Federal level. Consideration of local conditions was not possible, however logical or necessary that may have been. The State commission was thereby rendered a mere puppet of the Federal commission.

As one could only expect, these amendments attracted heated debate, not only in this place but amongst industrial relations practitioners in the community at large. Despite sound arguments being advanced against restricting the discretion of the commission in the manner proposed, the former Government would not budge. It is to correct the deficiencies in the legislation caused by the passage of these earlier Bills that this current Bill has been placed before this House. Not long after the last Bill had been put to this Parliament in 1981, Mr F.K. Cawthorne presented his report and recommendations to the former Minister, outlining his suggestions as to the future direction the Act should take. Mr Cawthorne had been most critical of the existing provisions and had argued strongly for repeal in this area.

In the discussion paper, Mr Cawthorne considered in detail the two sets of amending proposals and concluded that the former Government's intention '... intrudes into the general jurisdiction of the commission and its day-to-day award making process'. In addition, he considered that the amendments were not likely to meet what was expected of them, and instead could act to the detriment of the principles of industrial relations as a whole. For example, he was concerned that the steps proposed by the former Government would encourage parties not to seek commission ratification of agreements or agreed variations, but rather to enter into common law agreements which are outside the Act's scope. In Mr Cawthorne's own words, 'Given the general cries for commitment to the system of conciliation and arbitration, this is hardly a desirable course.'

In concluding his comments on this general matter, Mr Cawthorne stated that:

> ... it might be said that the difficulty faced by the Government is that the amendments attempt to implement or continue a wages policy by the indirect means of placing fetters on the discretion of the Industrial Commission in making award determinations on wages and conditions of employment. Because one is dealing with such an imprecise and often unpredictable area, the Government's primary objective is very difficult to attain by this method. One is forced into the use of abstract concepts and mechanisms which may achieve little in practical terms, possibly prove counter-productive to the industrial relations system as a whole, and may provoke a backlash which perhaps is coloured more by the appearance of what is being done than what actually occurs in practice. At a time when the lament has been that there no longer exists a firm commitment (if there ever was in the manner those lamenting desire) to the system of industrial relations in Australia, any legislation which can possibly be viewed as discouraging compliance with the requirements of that system must surely be avoided.

In the face of this examination of the problems of the existing provisions, the Government has given careful consideration as to what is necessary to preserve the authority and autonomy of the commission without putting at threat any centralised approach to wage fixation determined within the Federal arbitral arena. This has become particularly important in the light of the outcome of the recent economic summit and the agreement made between employers, trade unions and Government as to the future direction of wage fixation. Part of the communique emanating from the summit stresses that:

> The centralised wage fixing principles developed by the Conciliation and Arbitration Commission should provide the framework for the operation of other wage-fixing tribunals in Australia, but the summit recognises the authority and autonomy of these tribunals.

In other words, it is accepted by all that the general framework for restraint will be provided by the Federal commission. Within that general framework there must be some flexibility to allow each State commission to exercise its discretion having regard to local circumstances.

Accordingly, to allow for this margin of local autonomy, the Bill seeks to repeal section 146b with its rigid application of unworkable public interest notions, and replace it with the more flexible approach already adopted successfully under the Industrial Commission Jurisdiction (Temporary Provisions) Act. The provisions of this latter Act are to be incorporated within the parent Act, and the (Temporary Provisions) Act is to be repealed.

The new provisions will require the full Commission, in any determination affecting remuneration or working conditions, to have due regard to and to apply and give effect to in whole or in part and with or without modification any principles, guidelines or conditions enunciated by the Commonwealth commission. Again, in accordance with the (Temporary Provisions) Act approach, other industrial authorities will have to have regard to decisions of the Full Commission, and industrial agreements will have to be certified by the commission to ensure they do not offend any such guidelines or principles.

The effect of these amendments will be to preserve the general framework provided by Federal Conciliation and Arbitration Commission decisions and thus takes on board questions of the national interest. However, although the State commission will be required to have regard to the principles of its Federal counterpart, it will be given flexibility to adapt the Federal principles to suit local circumstances.

It must be emphasised that giving the State commission greater autonomy will not lead to an undermining of any national package for wage restraint. It will simply allow the commission to adapt that package in a marginal way to suit local conditions. This has certainly been the record of the State commission to date. Our Government has every confidence that the Industrial Commission will act in a manner that is consistent with the national interest. Indeed, to impose restraints upon it reflects upon the commission's good name and the responsible approach it has always adopted with regard to its obligations under the Act. At the same time, the Bill does not cut across the commission's use of traditional wage-fixing arguments, such as the capacity to pay, in any consideration of what is appropriate at the industry and firm level, nor affect its power to dismiss applications that are not in the public interest pursuant to section 28 (1) *(f)* of the Act.

To provide for a speedy translation of any Federal guideline, a new machinery amendment has been included in the revised section 146b. At present, the mechanism used to initiate a 'flow-on' of the Commonwealth commission's decisions is through section 36 of the Act which gives the Minister, amongst others, the right to apply for a flow-on order by the Full Commission. However, as became apparent with the introduction of the wages pause last year, section 36 can only become operative if the Federal decision also

involves a general wage increase. In the case of the wages pause, no such general wage movement was contemplated, and thus a normal award application before the commission had to be used to bring the more general principles before the Full Commission.

It is not difficult to see that the absence of a suitable award application before the commission could create complications and delay in the application of the Federal commission's guidelines at the State level. This is a highly unsatisfactory situation. Accordingly, the Bill provides that either the Full Commission on its own notion, or the Minister, can bring on proceedings to have Federal decisions considered in those instances where the Federal commission has issued a decision or declaration that deals with principles of wage fixation only. In view of the pending national wage determination and the likelihood of new guidelines and principles being laid down by the Full Commission, the Government feels that urgent steps must be taken to amend the Act in order to achieve the objectives I have outlined.

Two further matters requiring urgent attention are included in the Bill. The first relates to an evidentiary deficiency of the Act. Section 171 at present enables the Industrial Court to order a person convicted of an offence to pay the aggrieved party such sum which has been shown, to the satisfaction of the court, to be due. In the past, the court has always accepted a wages schedule or other statement issued by a departmental inspector as being sufficient evidence of the amount in question. However, the final authority of such wages schedule or statement has recently been questioned and it has become apparent that an evidentiary provision is necessary to avoid challenge on this issue.

Accordingly, the Bill provides that, in the absence of proof to the contrary, a certificate of an inspector certifying as to any matter relating to the employment in question, shall be proof of the matter so stated. At the same time, the opportunity has been taken to reintroduce the moratorium for an additional three years on challenges to the operation of registered associations, pending a further consideration of the *Moore v Doyle* problems in the light of the Cawthorne Report. This matter has been before this Council on a number of occasions, the last time in 1981, when the former Government's Bill to amend the Act failed for other reasons. As a result, the moratorium period expired in January this year, and it is essential that it be reinstated to enable the whole matter to be re-examined. I seek leave to have the detailed explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 amends section 3 of the principal Act which sets out the arrangement of the Act. Clause 3 amends section 133 of the principal Act which is designed to protect the continuing legal existence, membership and other affairs of registered associations from challenges based upon the decision of *Moore v Doyle* in the Commonwealth Industrial Court. The clause extends the operation of this section by a further three-year period. Clause 4 amends the heading to Division IA of Part X of the principal Act. The clause amends the heading so that it will now read 'Industrial Authorities to have due regard to certain geneal principles, etc.'.

Clause 5 amends section 146a of the principal Act which sets out definitions of expressions used in Division IA of Part X. The clause removes the definition of 'determination affecting remuneration or working conditions' which is no longer required in view of the wording of proposed new section 146b (4). The clause alters the present definition of 'industrial authority' which comprises the Industrial Commission of South Australia, conciliation committees and the Teachers Salaries Board by adding the Public Service Board, the Public Service Arbitrator, the Local Government Officers Classification Board and any other wage fixing body declared by proclamation. The definition, as amended, will then correspond to the definition of Proclaimed Wage Fixing Authorities presently contained in the Industrial Commission Jurisdiction (Temporary Provisions) Act, 1975-1981.

Clause 6 substitutes a new section for present section 146b. Present section 146b requires each industrial authority to have regard to the public interest and to refrain from making a determination affecting remuneration or working conditions unless satisfied that it is consistent with the public interest. In deciding whether a determination is consistent with the public interest, the industrial authority is required to consider the state of the economy of the State and the economic effects of the determination, it is required to give effect to principles enunciated by the Commonwealth commission that flow from that commission's consideration of the national economy and it is required to consider the desirability of achieving or maintaining uniformity between Commonwealth and State rates.

The proposed new section adopts the approach presently contained in the Industrial Commission Jurisdiction (Temporary Provisions) Act which provides that the Full Commission shall have regard to and may apply in whole or in part and with or without modification principles, guidelines or conditions laid down in any relevant decision of the Commonwealth commission and that each other industrial authority shall have regard to and may apply principles, guidelines or conditions laid down by the South Australian Full Commission. The new section also adds a provision whereby the Full Commission may, of its own motion, or upon the application of the Minister, adopt in whole or in part and with or without modification principles, guidelines or conditions laid down by the Commonwealth commission. Finally, the new section ensures that industrial agreements are tested by the commission against any principles, guidelines or conditions laid down by the South Australian Full Commission.

Clause 7 amends section 146c so that the Division, as amended, would apply to determinations made after the commencement of this measure whether the proceedings were commenced before or after that commencement. Clause 8 amends section 171 of the principal Act which authorises a court convicting a person of an offence against the Act to order the defendant to pay an amount due to the person in respect of whom the offence was committed where the liability arose out of the defendant's employment of that person. The clause adds a new subsection providing that a certificate of an inspector certifying as to any matter relating to that employment shall constitute proof, in the absence of proof to the contrary, of the matters so certified. Clause 9 provides for the repeal of the Industrial Commission Jurisdiction (Temporary Provisions) Act, 1975-1981.

The Hon. J.C. BURDETT: I support the second reading of the Bill. It is like the curate's egg: very good in parts. However, clause 6 is entirely bad. It seeks to repeal section 146b, which was introduced in 1981. That section was designed to make clear that the overriding test of whether a proposed determination is consistent with the public interest is to be that it must give effect to principles, and only principles, enunciated by the Commonwealth commission that flow from that commission's consideration of the national economy. Surely that is a reasonable requirement.

Subject to that requirement being met, the industrial authority was required under the section in determining consistency with the public interest to consider the likely effects of the determination on the economy of the State,

the desirability of retaining a nexus with Commonwealth awards and other relevant matters. Surely all of those matters are important. Surely it is important to see that determinations made by the commission do have regard to principles enunciated by the Federal commission in regard to the national economy, and that the commission does have regard to the economy of the State and the desirability of retaining a nexus with Commonwealth awards.

The mandatory requirement, the requirement to give effect to principles enunciated by the Commonwealth commission that flow from that commission's consideration of the national economy, has been criticised; criticised, of course, in the second reading explanation. It appears to have been disregarded by the State commission, but that is no argument for repealing or substantially amending the section. Surely Parliament is the legislative authority in this State, not the Industrial Commission. I will oppose clause 6, but I support the second reading.

The Hon. K.L. MILNE secured the adjournment of the debate.

WORKERS COMPENSATION ACT AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 1688.)

The Hon. R.C. DeGARIS: In some ways I am sorry that this Bill has come before the Council just before the prorogation of Parliament. There are a number of issues in regard to workers compensation that deserve examination. I believe that this is a rather hurried Bill which deals with one or two matters that should have been left for greater consideration. The Bill amends the principal Act in several ways. Most of the amendments place South Australia's workers compensation legislation at a higher level than that of any other State. I will deal with the amendments briefly, but I believe the Council should examine them closely.

First, I refer to the question of work induced hearing loss. This is an extremely difficult area, and I accept the present provisions as being reasonable and just. The present threshold is 10 per cent and claims must be made within two years of retirement. The Bill deletes both provisions from the principal Act. As I have said, I believe that the existing position is reasonable. If we accept the provisions of the Bill, a worker can claim for compensation for any hearing loss at any time in the future. Unless there is a reasonable threshold and a time limit, the cost to industry could be considerable in relation to claims for hearing loss. I believe that the present provision is quite satisfactory. I point out that a 10 per cent hearing loss is probably suffered by most people throughout their lives. Even in this Council, members would have a 10 per cent hearing loss or more. Therefore, I believe that the question of a 10 per cent threshold is perfectly reasonable.

The second point is the inclusion of overtime and site allowances in computing compensation. This question has been before the Council on previous occasions and it has always been a rather difficult problem. It appears clear to me that, when a worker is not actually working because of an injury, the extra payments, other than his actual wages, should not be considered. However, even in this particular case there are arguments that favour consideration of this point. Some of the points raised by the Hon. Mr Bruce in relation to this matter are questions that I believe should be considered by the Council.

I believe that the previous proposals made by the Labor Government and this proposal are not in the best interests of the State now. Once we begin to alter that position we produce a number of difficulties other than the question of overtime and site allowances. I believe the correct position would be to maintain the existing situation. Both of those points have an effect on the cost of compensation premiums. When considering that question I believe the Council should realise that both points will add to the cost of industry in South Australia.

The third point related to the 5 per cent payment to the rehabilitation assistance fund after 26 weeks of payment, and also something in relation to some lump sum payment. There is more argument in favour of that change than for the other changes about which I have spoken. There will be no cost involved in premiums due to this amendment, because the amount paid in compensation will be exactly the same.

The Hon. J.C. Burdett: What about the incentive to go back to work?

The Hon. R.C. DeGARIS: I do not think that will make very much difference to the question whether or not there is incentive to go back to work. I think that the actual premium involvement is very minor in regard to this matter. The point I want to make is that if the Government is going to fund the rehabilitation assistance fund, and not the worker after 26 weeks, I believe that the Council must consider the right of the Government to have that sort of provision.

I will be quite clear on the matter: as far as I am concerned I believe that the existing provision of 5 per cent in regard to the rehabilitation fund after 26 weeks is a reasonable provision. I am saying that I believe there will be no change in regard to the question of increased premiums because of this provision. I understand that at the last election the Government made a promise that it would introduce this type of change. I stress (the Hon. Mr Burdett does not agree with me) that I believe that there will be no change in the premium structure if this amendment is passed. There is a better argument in favour of this change than the other arguments for the changes to which I have already referred.

Nevertheless, I make it quite clear that I do not support the proposed change. I think that I am right in saying that the rehabilitation payment after 26 weeks is unique to Australia. Other States approach the problem in other ways. In some States the payment reduces after 26 weeks. I believe that the present procedure should continue. By comparison with other schemes, the compensation provisions in South Australia are generous.

If one makes a comparison of compensation legislation throughout Australia, one must come to the opinion that in South Australia we have very generous compensation provisions. If we are to maintain a competitive position in our manufacturing base, we cannot be over-generous in our compensation legislation. I am convinced that the present legislation and the increase in compensation premiums have already had an effect upon employment in South Australia. Any further cost increase will not be of advantage to the employment position.

There are some reasonable aspects of the Bill. If the Bill reaches the Committee stages, I shall support it. However, the main thrust of the Bill in regard to the three points that I have mentioned should be rejected. I am sorry that this Bill has come before us at this stage. I cannot support the use of overtime, sight allowance, and other payments to workers in the computation of compensation. However, there are some arguments in relation to certain cases that the Council should consider.

I am not one who opposes legislation just for the sake of opposing it. There are certain parts of this Bill that I believe the Council will pass, but at this stage I say with some regret that I will oppose the second reading of the Bill.

The Hon. K.L. MILNE secured the adjournment of the debate.

ADJOURNMENT

At 10.30 p.m. the Council adjourned until Wednesday 1 June at 2.15 p.m.