LEGISLATIVE COUNCIL

Wednesday 16 November 1983

The PRESIDENT (Hon. A.M. Whyte) took the Chair at 11 a.m. and read prayers.

PAPERS TABLED

The following papers were laid on the table:

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

By Command—

Report of the group to review the proposed amalgamation of O'Halloran Hill and Brighton colleges of technical and further education.

Report of the group to review a proposed amalgamation of Clare, Northern and Yorke Peninsula colleges of technical and further education.

QUESTIONS

BUSH FIRES

The Hon. M.B. CAMERON: I seek leave to make a brief explanation before asking the Minister of Agriculture, representing the Minister of Water Resources, a question on bush fires.

Leave granted.

The Hon. M.B. CAMERON: Honourable members would be aware that I previously raised the concern of many people in the South-East of the State that town water supplies are unnecessarily dependent upon electricity throughout the fire danger season. During last year's Ash Wednesday bushfire, the township of Tarpeena faced a potential devastating situation because the entire town's water supplied relied on the provision of electricity, which was cut off during the fires. Members would be aware that I raised a similar question in relation to Kalangadoo.

As a result, the town was without water and potentially a disaster could have occurred. In fact, I believe some homes were lost as a result of the lack of water supply. The situation has not improved and this is causing great concern to the District Council of Mount Gambier within whose boundaries lies the township.

Tarpeena is surrounded by forest and, of course, due to the extremely heavy rains experienced this year by an enormous amount of dry grass and undergrowth as well as other fuels. This creates the potential of an even greater threat from fires in the coming season. Indeed the magnitude of the previous disaster can be multiplied many fold. Despite having the problems drawn to its attention, the Government has failed to take action to ensure alternative means of supplying water to Tarpeena (and I should add other towns such as Kalangadoo).

It is essential that the Government redress this issue, particularly in those towns referred to which are forest towns, and because they are forest towns they have more than normal problems facing them. The Government should ensure that, should bush fires again pose a threat to townships, the people of Tarpeena and of other towns do not have to rely on a reconnection of the electricity supply, and that they have water available to enable them to fight fires. The Government through its agencies has indicated that Tarpeena was reconnected with water supplies as soon as the electricity supply was restored after the fire.

I would point out that that was a little late in the piece because by that time the problem had already passed. These people involved must have water to be able to fight fires. They must have access at least to an emergency water supply, not necessarily a full supply but some supply which does not rely on electricity and which is sufficient for the purposes of fighting a bush fire. Accordingly, I ask:

1. Will the Government review as a matter of urgency the position at Tarpeena and other townships in a similar position?
2. Will the Government ensure that alternative water supplies which do not rely on electricity will be available in the coming bush fire season?

The Hon. FRANK BLEVINS: I will refer that question to my colleague in another place for a reply.

PORNOGRAPHY

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation prior to asking the Attorney-General a question on pornography.

Leave granted.

The Hon. K.T. GRIFFIN: Yesterday's *News* contained a lengthy article about a group of parents representing the Federation of Catholic Parents and Friends viewing a collection of video material assembled by Mr Peter Dight of the South Australian Council for Children's Films and Television. That *News* report indicated that the material had been gained as evidence from video and adult sex shops around Adelaide. The report indicated that the meeting of Catholic Parents and Friends put itself to the test of seeing what it fears children may experience. The lead paragraph states:

> Shock, revulsion and eventual anger dominated the reaction to hard-core, violent, pornographic video tapes screened in an Adelaide classroom last night.

It follows with a reference to the Attorney-General's attitude, namely, that he was going to protest to the Roman Catholic Archbishop of Adelaide. Another paragraph stated that the Attorney-General was not prepared to say whether he would implement prosecution against the group. In the light of that report, would the Attorney-General answer the following questions about the event:

1. Will the Attorney-General be investigating the screening of video tapes to a group of Catholic women and friends, and, if so, why?
2. What action, if any, is the Attorney-General contemplating taking either against Mr Peter Dight or any of the women or friends present at that meeting?

The Hon. C.J. SUMNER: I said yesterday on the evidence that appeared in yesterday's *News* that the people concerned with the screening (in particular, the video *Black and Blue*) have commited an offence against the Film Classification Act. The exhibitors of that film have committed an offence. I do not know whether they were attempting to test the law on this point. What I found particularly disgusting was that they knew that *Black and Blue* had been refused classification by the Classification of Publications Board in this State. Furthermore, they know that the amendments which I have introduced into this Parliament are designed to cover the situation of such films as *Black and Blue* and the distribution of such video tapes in this State.

A former Attorney-General who still sits in this place sat on his hands for three years and did nothing about violent videos in this State. He knew that section 33 of the Police Offences Act did not cover violent material. He knew that there was doubt as to whether section 33 of the Police Offences Act covered videos. He knew that and did nothing for three years but sit on his hands, yet he now comes into this place and no doubt will try to curry favour with Mr Dight by claiming to be a great white knight crusading

against pornography. The fact is that he did nothing for three years whilst knowing the potential defects in section 33. He knew that it did not cover violence and knew that there were problems in relation to the sale of videos, but nothing was done. I have introduced legislation which attempts to overcome the problem.

The Hon. K.T. Griffin: Pretty weak legislation—it is weak.

The Hon. C.J. SUMNER: It is not. It is good legislation and certainly does a lot more than what the honourable member did during his three years.

The Hon. K.T. Griffin: You know it was being investigated by officers of Censorship Ministers.

The Hon. C.J. SUMNER: The honourable member may say it is being investigated, but the fact is that he knew of the defects in section 33—

The Hon. K.T. Griffin: You know we toughened up on the—

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The Hon. Mr Griffin knew of potential defects in section 33. That did not require a conference of Censorship Ministers—it required him to amend section 33, which he did not do. The fact is that the legislation that has been introduced would cover the situation—the distribution of violent videos such as *Black and Blue*. That was the intention of the legislation. All I can say, as far as the Federation of Catholic Parents and Friends is concerned, is that I find it somewhat disconcerting that the Federation, knowing that legislation was being introduced to cover the *Black and Blue* situation, decided to show that video in public.

I should say that, even though I understand that the whole film was not shown, the advice I have is that it was clearly a breach of the law, a breach of the Classification of Films Act. Of course, the question then arises as to what one does about it. I have protested to the Archbishop of Adelaide and I intend to pursue that matter, because I find it offensive, to me and to my family that an organisation that apparently is connected to the Catholic Church should deliberately flout the law in this way to try to prove a political point. It places the Government and the police in a difficult situation. I do not know whether or not the police will investigate the matter, but—

The Hon. K.T. Griffin: Haven't you had any discussions with the police?

The Hon. C.J. SUMNER: I have not had any discussions with the police about the matter but, if the newspaper report is correct, then the people who exhibited this video were in breach of the law.

The Hon. K.T. Griffin: That is an unusual statement: if you have not the facts first and you are relying on the newspaper report—

The Hon. C.J. SUMNER: I have said that, if the film *Black and Blue* was exhibited publicly to a meeting of people, as indicated in the *News*, then there has been a breach of the Act—

The Hon. K.T. Griffin: Are you going to prosecute if there has been a breach?

The Hon. C.J. SUMNER: Whether the police intend to take any action on this matter, I do not know.

The Hon. K.T. Griffin: Will you authorise it?

The PRESIDENT: Order! The Hon. Mr Griffin can ask a supplementary question.

The Hon. C.J. SUMNER: I have made my point about that particular action. I find it objectionable that legislation—the first legislation of its kind in Australia—to toughen up on violent videos is apparently being used by this group in the way it has proceeded, knowing that the legislation was designed to cover loopholes which the Hon. Mr Griffin presided over for three years.

The Hon. K.T. GRIFFIN: I desire to ask a supplementary question. Will the Attorney be investigating the screening of those video tapes to a group of Catholic women and, if evidence indicates a breach of the law, will the Attorney authorise prosecution?

The Hon. C.J. SUMNER: It is too early to make any definite statement on that. I am not sure. If the honourable member is saying that these people are challenging the law and are attempting to see whether the law is satisfactory, perhaps he would like to see a prosecution. I am interested to see that the Hon. Mr Griffin is apparently saying that these people should be prosecuted and investigated.

The Hon. J.C. Burdett: He asked a question.

The Hon. C.J. SUMNER: Is he or is he not?

Members interjecting:

The PRESIDENT: Order! The question is hypothetical. Even so, continued interjections are out of order.

The Hon. C.J. SUMNER: Let the honourable member state where he stands. Does he support the flouting of the law in this way? There is no answer from the honourable member!

The PRESIDENT: I do not want him to answer; I do not want debate across the floor.

The Hon. C.J. SUMNER: He can indicate whether he supports what this group has done. As I see it, I have protested already to the Archbishop. I also indicate to the Council that Mr Holland, who is well known as a very senior public servant in this State and whom the Hon. Mr Griffin would know, has advised me that these people were advised that the screening of this video would be contrary to the Film Classification Act.

The Hon. K.T. Griffin interjecting:

The Hon. C.J. SUMNER: They deny it, but that is what Mr Holland says about the matter. In the light of that, their actions were even more irresponsible than I had considered them to be in the first place. I am concerned that apparently a respectable Catholic Church orgnisation has lent its name to this flouting of the law. I protested to the Archbishop about that and I intend to pursue that matter.

The second question, as to the breach of the law, is a matter that will have to be considered. Obviously, any investigation of that will be a matter for the police. I do not know whether they have taken any action on that; normally, they would take action without reference to me where they see any potential breach of the law.

TAXATION

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

Leave granted.

The Hon. M.B. CAMERON: It would appear that the Government's taxation programme is in complete disarray. Yesterday, in another place the Premier advised the Parliament (I gather from a press report) that the Government was considering back-tracking on its increased liquor tax as a result of the impact of that tax on the South Australian economy. It is the second backdown we have seen from the Government over a taxation measure in less than a week and highlights the increasing uncertainty (it would appear) about the entire economic strategy of the Government.

It would seem ludicrous to increase any other taxes or impose new ones in light of the present uncertainty. Prior to the last State election the Premier gave a commitment not to increase State taxes and charges, as all members would be fully aware. He also promised an inquiry into State taxes before making any increases in taxes or introducing any new ones, arguing that it was improper and

inappropriate to change taxation levels and State charges until this inquiry had a complete look at the State taxation system.

It is quite clear that the Government has pushed the State's financial management into such a position that an urgent review of State taxes is needed. The Government should proceed with such an inquiry immediately, notwithstanding that over 12 months ago it promised to institute it as soon as it was elected, in the meantime freezing all charges and taxes at their pre-Budget levels so as not to prejudice the outcome of such an inquiry.

Will the Government immediately institute its promised inquiry into State taxation, withdraw any taxation Bills presently before the Parliament, and freeze all State charges and taxes at the pre-Budget level pending the outcome of this urgently needed inquiry?

The Hon. C.J. SUMNER: I understand that the inquiry will be pursued. It is clear that there is a need for an investigation of the State's taxing base. The problem that the State has, as all honourable members would know—if they do not, they should—is that there is a very limited base on which the State can impose taxation. That is one of the problems which all the States have. Indeed, it is one of the reasons for the introduction of the financial institutions duty, which is one of the taxes that can be imposed by the State out of a very limited number.

So, I understand that the inquiry will proceed on that basis. It will also proceed on the basis that the State will be trying, through the Constitutional Convention, to achieve a situation where there are no constitutional restrictions on State's levying excise.

These matters must be looked at if the State is to have any economic and financial viability. I should have thought that the reason for not having conducted or completed an inquiry at this stage would be obvious to honourable members: clearly, the State's financial situation requires that action be taken urgently—

The Hon. L.H. Davis: But if you had conducted an inquiry last November, you would have had some answers by now.

The PRESIDENT: Order!

The Hon. C.J. SUMNER: —to correct the budgetary position. Honourable members opposite seem unable to understand that. Obviously, members opposite are unable to read the Budget documents that have been presented to Parliament. They are aware of the parlous situation of the State Budget and, unfortunate though it may be, that is why these measures must be introduced.

The Hon. R.I. LUCAS: I desire to ask a supplementary question. Has Cabinet decided on the membership of the inquiry? If so, when will the Government announce its membership and terms of reference?

The Hon. C.J. SUMNER: I do not know. The honourable member will have to await the Government announcement in that regard.

DECRIMINALISATION OF PROSTITUTION

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Attorney-General a question on prostitution.

Leave granted.

The Hon. L.H. DAVIS: Yesterday's *Advertiser* carried a report stating that the Hon. Anne Levy was considering introducing a private member's Bill to decriminalise prostitution. The report also stated that the Hon. Anne Levy said that she had considered the move because of the hypocritical laws governing prostitution—

The Hon. M.B. Cameron: Will Rod Cameron do the survey?

The PRESIDENT: Order!

The Hon. L.H. DAVIS: In view of recent Government reaction to private member's Bills and its peculiar voting habits in relation to those Bills, will the Attorney-General state, first, whether the Government has a policy on the decriminalisation of prostitution? Secondly, will the Government support the Hon. Miss Levy's private member's Bill to decriminalise prostitution, should it be introduced in the Legislative Council? Thirdly, does the Labor Party have a policy in relation to the decriminalisation of prostitution?

The Hon. C.J. SUMNER: I have only seen the press reports of the Hon. Miss Levy's comments about the decriminalisation of prostitution. I had not discussed the matter with the honourable member prior to seeing the press reports. Apparently, that is her view of the situation. I have not heard anything more than the Hon. Mr Davis about the matter, which has not been considered by the Government to this point in time.

The Hon. L.H. DAVIS: I desire to ask a supplementary question. I asked also whether the Labor Party has a policy in relation to the decriminalisation of prostitution?

The Hon. C.J. SUMNER: I understand that there is no specific Labor Party policy in relation to the decriminalisation of prostitution. I cannot recall a motion dealing with this matter being passed at any forums of the Party (although I cannot say that with absolute certainty). In any event, the matter, as it was dealt with on a previous occasion when it was before Parliament, would have been considered as a social question—a conscience matter—and would have been dealt with in that way.

TOBACCO SPONSORSHIP

The Hon. DIANA LAIDLAW: Has the Attorney-General an answer to the question that I asked on 19 October about tobacco sponsorship?

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

1. No, Benson and Hedges was not the first. A number of other companies were approached for assistance in 1984 and the following are providing assistance towards the company's 1984 activities in various ways: Santos Ltd; Youth Benefits Ltd; Karrawirra Vineyards; Satisfac Credit Union; and S.B.S.A.

2. The first approach to Benson and Hedges was made on 21 July 1982 for assistance with the costs of three productions in 1982 to enable the company to earn sufficient private sector income to comply with the Australia Council's Challenge Grant Scheme whereby the Council provided $1 (up to $21 000) for every $3 raised from private sources. Benson and Hedges was unable to assist on this occasion, but asked that another approach be made in 1983.

In July 1983 Benson and Hedges was again approached for assistance towards the 1984 season. The Manager for Advertising and Production saw a performance of *Twelfth Night* by the company and great interest was expressed in the planned programme for 1984.

3. The Department for the Arts has been aware of the company's need to secure private support as in fact the company's budget for 1983-84 is predicated on securing $20 000 from the private sector.

4. No. However, the company received a circular dated 23 May 1983 from the Hon. J.R. Cornwall, M.L.C., Minister of Health, outlining the South Australian Government's position.

5. Yes.

6. No.

S.A.N.F.L. RULES

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister of Health, representing the Minister of Recreation and Sport, a question about South Australian National Football League Rules.

Leave granted.

The Hon. R.I. LUCAS: A report in the *Age* newspaper last month stated that the Victorian State Labor Government was considering legislation to help the Victorian Football League overcome problems that it has with its transfer rules. The report, dated 8 October, by Phillip Chubb and Ron Carter, sporting and political writers respectively for the Melbourne *Age*, quotes the Premier, Mr Cain, as follows:

> The Premier, Mr Cain, said yesterday the Government was doing some preliminary work on the problems that resulted from the Foschini judgment in the Supreme Court earlier this year. The decision meant there was no effective system for controlling the transfer of players between clubs.
>
> 'We are ready to assist the League in any way we can,' Mr Cain said. 'At present the League is working with its legal advisers on how best to tackle the problem, which is one of the biggest challenges facing the game.'
>
> 'If, and when, the V.F.L. administration decides that the Government's assistance is required, perhaps with legislation in some form or another, then we will be willing to consider any action that would benefit the future of football.'
>
> Mr Cain said any legislation would probably have to be considered by the Federal Government as well. He would await the outcome of the V.F.L.'s deliberations before taking any further action.

It should be noted that the transfer rules that apply to the South Australian National Football League are quite different from those operating in the Victorian Football League; that is accepted. Nevertheless, because of the transfers between the Victorian Football League and the South Australian National Football League, all members and all South Australians would be well aware that this matter could be a subject of some concern for the South Australian National Football League and the South Australian Government.

First, is the State Government involved in any discussions with the South Australian National Football League relating to that League's transfer rules? Secondly, is the State Government considering introducing any legislation relating to this area?

The Hon. J.R. CORNWALL: I will be pleased to refer those questions to my colleague, the Minister of Recreation and Sport, and bring back a reply.

ADELAIDE RAILWAY STATION

The Hon. K.T. GRIFFIN: Has the Attorney-General a reply to a question I asked on 26 October about the Adelaide Railway Station development?

The Hon. C.J. SUMNER: I refer the honourable member to the Ministerial statement made by the Premier on 27 October 1983.

AIR SERVICES

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

Leave granted.

The Hon. M.B. CAMERON: I have noted, and I trust that the Attorney-General is aware, that a contract for an air freight system within South Australia that has been provided by O'Connor's Air Services has been withdrawn by Thomas Nationwide Transport. The end result of the failure to continue this contract is that, in the areas of Eyre Peninsula and the South-East where O'Connor's Air Services provides a very good passenger service to small towns (and that service has been very welcome in those areas), the service is now in jeopardy, if not facing total cancellation immediately. In the South-East O'Connor's Air Services provides a service to Naracoorte, Kingston, Millicent, Mount Gambier, and Bordertown, and on Eyre Peninsula many small towns, including Cleve, Wudinna, Ceduna, Tumby Bay, Cummins, and many others, will not have access to an air service if the service now provided by O'Connor's Air Services is withdrawn.

It seems that the air freight contract is to be given to an operator who appears to have no involvement at all in these other very important services to small country areas. It is a very serious situation in relation to communities that are somewhat isolated in terms of air services. Is the Attorney-General aware of the present situation in relation to O'Connor's Air Services and, if so, what steps does the Government intend to take to provide assistance to O'Connor's Air Services in this very difficult situation, which is faced not only by the company but also by people in these rural areas who will be affected by cancellation of passenger services?

The Hon. C.J. SUMNER: I will refer the matter to the appropriate Minister and bring back a reply as soon as I can.

CRIME STATISTICS

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking the Attorney-General a question about crime statistics.

Leave granted.

The Hon. ANNE LEVY: I understand that the Office of Crime Statistics has on computer a great deal of information regarding sentences given for different offences in different courts throughout South Australia which can be extracted fairly regularly. My particular interest relates to the range of offences involving marihuana, in particular the offence of possession of marihuana (or Indian hemp, as I think it is classifed in the crime statistics). Will the Attorney-General obtain for me from the Office of Crime Statistics information on the frequency of orders for no conviction being recorded under the Offenders Probation Act for the offence of possession of marihuana in the Christies Beach, Darlington and Glenelg courts of summary jurisdiction, and the same information for the same offence in other magistrates courts in the Adelaide metropolitan area?

The Hon. C.J. SUMNER: I will get that information if it is available.

PATIENT CONFIDENTIALITY

The Hon. R.I. LUCAS: I seek leave to make a brief explanation prior to asking the Minister of Health a question on the subject of confidentiality of health records.

Leave granted.

The Hon. R.I. LUCAS: Members may be aware of the widespread practice of some Government departments and instrumentalities in providing used computer paper to schools for use as scrap paper by children at those schools. I have recently been made aware that some hospitals are also providing schools with used computer paper. I have been provided with some examples of paper that a hospital has provided to a primary school in the northern suburbs. Later, I will be happy to provide the Minister with a photocopy of these computer printouts, for his information. The printouts to which I refer are headed 'Department of Histopathology' and list a genetic index and dates. They show case note numbers and the surnames of children or

foetuses that have been tested. They also list the given names of some of the children, and, in the case of foetuses, indicate whether it is 'foetus Smith', say, or if it is unnamed I presume it is listed, for example, as 'Smith, baby of [the mother's name]'. So, there is some considerable personal detail given of the child or foetus being tested.

The printouts then give details of the laboratory number, sex, and quite an amount of significant statistical or medical information about the subject. Also given in the final column are the results of tests which include the chromosomal makeup of a child or foetus tested, indicating whether or not the chromosomal makeup of the child or foetus is normal. In fact, the tests of some children, who, as I indicated to the Minister, are named in some way or another, indicate some abnormalities, such as Downes syndrome, for example. Whilst the chance might be small (and I concede that to the Minister) of information coming to the attention of a teacher or a parent of the child involved, it is a possibility. In regard to a primary school I suppose it would be unlikely that children there would be able to understand the results of the tests that are indicated, although they might well recognise the name of a child.

The Hon. M.B. Cameron: They are brighter than we were.

The Hon. R.I. LUCAS: Yes, they might be brighter than we were at that age. They could recognise the name of a child or a foetus being tested. Whether they would be able to tell from the chromosomal makeup whether it is normal or abnormal, I do not really know. That would be an outside chance. More particularly, I am referring to teachers and parents of the children involved, because the information on these bits of scrap paper could possibly be taken home, where the children's parents might well see it. Whilst the chance might be small that someone has personal knowledge of a child or a foetus that has been tested, nevertheless it still could happen. Although the chances are slight, I am sure that the Minister of Health would join with me and other members in saying that, if that did happen, it would be a matter of some concern; I am sure it would cause concern to a teacher or the parents of a child for that information to be available in this form.

This example simply raises a general question: it is not only a specific example, although I am seeking a specific response from the Minister. However, it raises the general question of what other confidential health records that may be churning through hospital computers are being distributed as scrap paper to schools or to anyone else who might seek scrap paper. I am aware that the Flinders Medical Centre shreds the results of such tests; a conscious decision has been made to do that. Whether that is done in regard to all tests, or only histopathology tests, I am unable to say.

Clearly, it is not the case that some other hospitals are distributing this sort of information. It does raise a general question that those sort of genetic or chromosomal make-up tests are being made available as well as possibly other quite personal information on people which may be getting out in a similar vein. My questions to the Minister are, first, whether he will undertake an urgent investigation of this example and bring back a reply. As I indicated, I would be happy to provide the Minister with a copy of these computer printouts which give an indication of the type of computer used—a Hewlett Packard. From that the Minister's officers may well be able to track back which hospital is involved. Certainly, I have a pretty good guess as to which one it is, but I do not think that this is the place for me to mention it until it has been confirmed.

Secondly, what general procedures are followed with respect to distribution of computer printout information of confidential personal health records to schools or other organisations? Thirdly, is the Minister satisfied with the current procedures that operate and, if not, will he be recommending to hospitals changes in those procedures to ensure that this sort of situation does not arise again?

The Hon. J.R. CORNWALL: I would certainly want some more detail before I could start giving specific responses. I do not know what hospital or health care unit is involved, as I have not seen the printout that the honourable member has produced. I would want more detail and a further history of the school or schools and circumstances involved. Even with the information that has been provided to date, it would seem, on the face of it, that at best it was an insensitive and stupid thing to do. I am disturbed to learn that such things are happening at all. Obviously, there is a very real and most serious need to ensure that patient confidentiality is completely protected in all hospitals and health units.

As to whether I will be initiating an urgent investigation, the simple answer is that of course I will be. As soon as the member provides me with as much detail as possible, I will immediately take steps to see that the general procedures are such in all hospitals and health units around the State that strict patient confidentiality is maintained. As to the question of whether or not I am satisfied with the current situation, it should be quite clear that, in view of the printout which the honourable member purports to have in his possession, if in fact it is a *bona fide* printout from one of our hospitals in which the details he has talked about are disclosed, it is quite obvious that I could not be satisfied with the procedures of confidentiality, at least in that hospital. I will have the matter investigated urgently. I look forward to the member's co-operation, and I will certainly bring back a full report to the Council as soon as I reasonably can.

AIR-POWERED NAIL GUNS

The Hon. R.J. RITSON: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister of Labour, a question on safety in the use of air-powered nail guns.

Leave granted.

The Hon. R.J. RITSON: The current issue of the *Australian Medical Journal* contains an article entitled 'Industrial Nail Gun Injuries'. It is based on material collected in Victoria and has a number of quite spectacular radiographs accompanying the text. One shows a 5 cm nail embedded right up to the head of the nail in the skull and brain; another shows a nail transfixing the bones of the wrist; another shows the nail in the middle of a thigh; another shows a nail in a heart; and another shows a nail that has gone through the eye into the brain. The author of the article refers to some of the Victorian health and safety regulations and points to the distinction drawn between explosive-powered tools and air-powered tools.

The heart of the matter is that the regulations concerning the explosive-powered tools provide certain safeguards against accidental discharge: for example, firing must not be possible unless the gun is applied to a surface with a minimum force of 110 newtons, the point of that being, I suppose, that these guns are regarded as being more powerful than the air guns. Indeed, the explosive-powered gun carries the danger that, if the fastener completely penetrates the object being fastened, it carries on somewhat like a bullet, whereas the air-powered gun, being of less power, is less likely to completely penetrate the substance into which the nail is being fixed. However, when the air-powered gun is fired accidentally into the air rather than against an object it is at least as dangerous as an explosive-powered fastener that has penetrated an object. Certainly, the legislation in Victoria does not require the safeguards against accidental

discharge in the air. In view of the horrendous injuries documented in this article, will the Minister examine the South Australian legislation applying to such instruments, consult with his officers, and advise whether he believes that the regulations governing air-powered nail guns are satisfactory in the light of the severe injuries that they have been demonstrated to be capable of causing?

The Hon. C.J. SUMNER: I will refer the question to the Minister of Labour and bring back a reply.

WINE TAX

The Hon. M.B. CAMERON: I seek leave to make a statement before asking the Minister of Agriculture a question about the Federal Government's wine tax.

Leave granted.

The Hon. M.B. CAMERON: A recent article indicates that, because of the taxes, particularly the fortified wine tax, imposed by the Federal Government, winemakers are now ordering fortified wine from overseas. The Minister may well be aware of the situation. The article states:

> The winemakers would blend local wines with the imported fortified wines under their own labels. The Chairman of the South Australian Wine Grape Growers' Council, Mr Allan Preece, said yesterday he believed many winemakers already had ordered imported wine. 'I can see a small percentage of grapes being processed for fortification but there's going to be a lot of grapes left on the vines, not only in the Riverland but also in the Clare Valley,' he said.

He goes on to say:

> 'This means winemakers have invested large sums of money on a fortified vintage and have to wait anything up to five years before they could sell the wine to gain a return.' Mr Preece said the winemakers would blend the imported wine with their own and bottle it under their own label.

He was further quoted as saying that he had been told by one of the big winemakers that he could buy fortified wine cheaper than he could make it or pay for the spirit. He said that the way it would work was that they would have to pay only the import duty, which is a very, very small amount. The other point is that they would pay for it only when they brought it out of bond; they would pay for it only on the day that they sold it, which is quite the opposite to the present fortified wine tax applied by the Federal Government. He further said that the winemakers had to do something. The banks would lend them the money to pay the tax for fortification, but not to pay the grapegrowers. The actual tax in one vintage in the Riverland could amount to $1 million: that is for one winery in South Australia.

The Hon. R.J. Ritson: What sort of profits would they make? All their profits would be gone.

The Hon. M.B. CAMERON: They are not that good, particularly as the money has to be borrowed and held up to five years or more before it can be recovered. The main maker of fortified wines in the Clare Valley is the Sevenhill winery, run by some Roman Catholic brothers, but in the Riverland some 70 per cent of the fortified wine made in Australia is made in South Australia. The losses of production caused by this tax will have a very direct effect on South Australia. It has been said before that it is a tax on South Australia. I therefore ask the following questions:

1. Is the Minister aware of the potential situation facing the winemakers in South Australia from the problem of the import of fortified wines?

2. Has he made his Federal counterpart aware of the situation now facing South Australian winemakers and, if not, will he take up this matter as one of urgency and ask the Federal Government to review again the wine tax which it has placed on fortified wines and which will have a very dramatic effect on South Australia?

The Hon. FRANK BLEVINS: The honourable member will be delighted to know that I have already taken action in this matter; in fact, I have done even more: I have communicated with the Premier, and the Premier will contact the Prime Minister.

The Hon. M.B. Cameron: By letter or by phone?

The Hon. FRANK BLEVINS: By letter, although it could be done by telex and followed up with a phone call if necessary.

The Hon. R.J. Ritson: What will the Prime Minister do?

The Hon. FRANK BLEVINS: I am afraid that, even with all my great powers of persuasion and foresight, I cannot predict what the Prime Minister will do about this matter or anything else. However, it is potentially a serious problem. There is no doubt from the figures that have been given to me that it would in some cases be financially feasible for material to be imported, despite the tariffs that apply, and for the spirit to be produced here in South Australia. Whilst my costings of it were preliminary, I have through the Premier drawn them to the attention of the Prime Minister and asked him to look at the whole area again. I would like to think that, following representations made by me and the figures that were brought to light by my Department, some modifications were made at least to the level of the tax—

The Hon. M.B. Cameron: Not modifications—

The Hon. FRANK BLEVINS: Yes modifications to the rate.

The Hon. M.B. Cameron: You showed that they were going to get too much?

The Hon. FRANK BLEVINS: Yes, it just so happened that it was the same amount as was intended for the wine industry in the first place. The Federal Government generously reduced the rate of the tax that was to be struck. I thank the Hon. Mr Cameron for his interest. I hope that the speed with which I acted in this matter and, indeed, the speed with which the Government and the Premier acted, meets with the Hon. Mr Cameron's approval. I hope that the answer we get from Canberra will meet with our approval even more.

YALATA POLICE STATION

The Hon. H.P.K. DUNN: I seek leave to make a brief explanation before asking the Attorney-General, representing the Chief Secretary, a question about a police station at the Yalata Aboriginal Community.

Leave granted.

The Hon. H.P.K. DUNN: Recently, there was a dust-up or disturbance at the Yalata Aboriginal Community—so much so that a youth attacked the Principal of the Yalata College with a rifle. As a result, teachers at the college travelled to Ceduna and stayed there until they could receive some protection. By way of further explanation, I point out that I visit a small beach resort on the west coast of Yorke Peninsula and that a female member of the family living next-door to me there teaches at Yalata. She has been teaching at Yalata for three years and twice during that period has had her home broken into during the night. In fact, she has had to purchase a dog for protection. That is not an isolated case. An article in the *News* of 3 November 1983, headed 'No police station for Yalata', states:

> Police will not be stationed permanently at the Yalata Aboriginal Community on South Australia's Far West Coast, according to the Assistant Police Commissioner Mr M.H. Stanford. Teachers and other staff walked out of Yalata last week after a youth allegedly confronted the school principal with a rifle.
>
> They are now at Ceduna and refuse to return to Yalata unless a permanent police presence is established and alcohol is banned. Mr Stanford said there was 'no intention at this time' to station

police at Yalata. 'Our surveys in the past have not indicated the need for that facility', he said.

I believe that my earlier comments belie that fact. The article continues:

He was 'very concerned' about the welfare of the Yalata teachers. 'I have no intention of putting them at risk', he said. 'There is a real problem there. Until something is resolved, the teachers will stay at Ceduna.'

Has the Chief Secretary investigated the use of a more intermittent police presence at Yalata? If not, what plans does the Chief Secretary have to solve this most serious problem?

The Hon. C.J. SUMNER: The Government is aware of the difficult situation at Yalata. In fact, certain discussions are proceeding involving the Minister of Aboriginal Affairs, the Chief Secretary and other officers of the Government responsible for various activities that are carried out at Yalata. As I have said, the situation is difficult (indeed, serious) and the Government is aware of that. I will attempt to obtain a further report for the honourable member.

ARTS FUNDING

The Hon. C.M. HILL (on notice) asked the Attorney-General: Will the Minister provide details of the proposed State Budget distribution of $1 442 000 for sundry grants and provisions for the arts by naming the recipients and the amounts each will receive?

The Hon. C.J. SUMNER: Details of the State Budget line 'Grants and Provisions for the Arts—$1 442 000' are provided in the attached schedule, which I seek leave to have inserted in *Hansard* without my reading it.

Leave granted.

DEPARTMENT FOR THE ARTS
Grants and Provisions for the Arts Line—1983-84

Line	1983-84 Grant $
Adelaide Symphony Orchestra	200 000
Arts Administration Training	17 500
Orchestra/Music Development	
Adelaide Chamber Orchestra	44 000
Adelaide Chorus	6 000
Alternate Theatre Fund	
Stage Company	120 000
Troupe	120 000
Association of Community Theatres	30 000
Focus Inc.	30 000
Performing Arts Collection	62 000
International Puppet Festival	27 000
Children's T.V. Foundation	27 500
Centre for Aboriginal Studies in Music	36 000
Australian Film Institute	3 500
Arts Development Consultants	2 000
Come Out '85	20 000
Eyre Peninsula Multi-Skilled Group	50 000
Youth Performing Arts Grants	33 500
in Education	
Acting Company	50 000
New Patch Theatre (Little Patch)	40 000
Arts Grants Advisory Committee	300 000
Unspecified Grants	38 000
(unspecified grants to meet new initiatives and unexpected requests throughout financial year)	
Community Arts Projects	
Community Theatre Festival	60 000
Other Community Arts Grants	125 000
Total	$1 442 000

ROYAL ADELAIDE HOSPITAL

The Hon. R.J. RITSON (on notice) asked the Minister of Health: Will the Minister provide the mean of the numbers of people employed at the Royal Adelaide Hospital in a clerical or administrative capacity during each of the financial years—1975-76; 1976-77; 1977-78; 1978-79; 1979-80 and 1980-81?

The Hon. J.R. CORNWALL: The numbers of people (in full-time equivalents) employed at the Royal Adelaide Hospital in a clerical or administrative capacity during the financial years in question are as follows: 1975-76, 279.0; 1976-77, 323.0; 1977-78, 360.6; 1978-79, 379.0; 1979-80, 384.5; and 1980-81, 420.9.

WATER RATES

Adjourned debate on motion of Hon. M.B. Cameron:

That in the opinion of this Council—

1. The 28 per cent increase in water rates is iniquitous;
2. the increase should be rescinded by the Government;
3. an independent inquiry should be established immediately to review the level of rates charged in irrigation areas by the Engineering and Water Supply Department (and the reasons for that high level) compared with the significantly lower charges for water supplied by private suppliers.

to which the Hon. K.L. Milne has moved the following amendment:

Leave out all words after 'Council' and insert in lieu thereof the following paragraphs—

1. The Government's 28 per cent increase in water rates shows a complete lack of understanding of, and sympathy with, the plight of the canning fruit growers, and grape, citrus and vegetable growers in the Riverland because of most growers' inability to earn the minimum wage from their blocks.
2. The increase should be rescinded by the Government.
3. An independent inquiry should be established immediately to review the level of rates charged in irrigation areas by the Engineering and Water Supply Department (and the reasons for that high level) compared with the significantly lower charges for water supplied by private suppliers and to consider the advantages and disadvantages of transferring the Engineering and Water Supply irrigation scheme to an Irrigation Trust similar to that of the Renmark and Mildura Irrigation Trusts.

(Continued from 9 November. Page 1528.)

The Hon. FRANK BLEVINS (Minister of Agriculture): In all fairness I must say that last Wednesday I had a substantial slice of debating time relating to this matter, so I do not plan to abuse the privilege that the Council gave me when I sought leave to conclude my remarks later. My aim in concluding is to move an amendment. I move:

1. Leave out all words after the words 'That in the opinion of this Council'.
2. Insert the following paragraphs in lieu thereof:
   1. The action taken by the Government in dealing with the major issues confronting the Riverland Region, including—
      (a) a 12-month investigation of the redevelopment potential of Riverland Fruit Products;
      (b) establishment of the Riverland Fruit Products Task Force;
      (c) the July announcement of a guarantee of $240/tonne for canning peaches;
      (d) negotiations with the Federal Government in regard to the establishment of a Riverland Council for Redevelopment,

   should be endorsed;

   2. The specific financial needs of Riverland growers are able to be met through the doubling of funds in the Rural Assistance Scheme, and an across-the-board subsidy to all producers, irrespective of need, through a subsidy on water charges, is an inequitable means of assistance to producers in financial need.

   3. Discussions over ways in which growers can take a greater responsibility for the operation of irrigation schemes in the Riverland should be speeded up.

4. The Federal Government should recognise its already substantial commitment of resources to the Riverland region, and actively co-operate with the State Government in examining the redevelopment potential of the Region.

I had some concern last week that, if either the motion moved by the Hon. Mr Cameron or the anmendment moved by the Hon. Mr Milne was carried, the matter would not be taken very much further. I know that there was a response to a particularly difficult and emotional problem, and I am in no way critical of the two members who moved the motion and the amendment. However, I believe that, outside the rather charged atmosphere of last Wednesday, if honourable members consider the amendment I have foreshadowed, they will see that it is positive, not negative. It aims to deal with some of the real problems that are faced in the Riverland.

I believe that one of the major problems that have occurred over recent years is the question of the cannery, and that matter is covered in the amendment. In an attempt to assist the canning fruitgrowers in particular, we have guaranteed a minimum price for fruit this year of $55 a tonne over the price last year. In effect, we have guaranteed those growers $240 a tonne for canning peaches which, judging by the reception we received to that suggestion, will be of significant assistance to the industry. That will enable growers to follow a plan to a degree that they have not been able to achieve for a long time. That action by the Government was very significant for the canning fruitgrowers. The cannery has an effect on employment throughout the region as well as an effect on canning fruitgrowers.

We should say some positive things in the motion to be moved in this Council rather than having a blind swipe at something that really does not get us any further. The question of how we can assist people who are facing difficulties is vexed and controversial. There are various ways to go about it, and I suppose that each individual has his own idea. In the main, I am strongly opposed to subsidising people across the board. That is a very inefficient way of assisting people who are in real need. I, as a member of the Labor Party, do not hesitate, where necessary, to intervene in any aspect of industry where there is a clear difficulty and where Government has a role to play.

The Hon. M.B. Cameron: I think in this case it is better to get out of difficulty.

The Hon. FRANK BLEVINS: I will come to that in a moment. There is no doubt that, for a significant number of people, this subsidy is totally inappropriate. They are in a position to pay the appropriate rate struck by the Engineering and Water Supply Department, and they do not argue with that. While it would assist some people if charges were not increased more on a cost-recovery basis, that would provide a quite unnecessary subsidy to other people who do not need it, and we would have less money to assist those who need help. Again, it seems to me that that is not a good way to assist people.

I must refer to the rural adjustment scheme by which individuals can make decisions in the best way they can to manage their operations and obtain assistance in a specific area. For example, if funds are available to increase the subsidy on water, it may well be that particular irrigators would prefer a loan from the rural adjustment scheme to change the method of irrigation rather than having a subsidy on water. In the long term, that may be a much more sensible way of assisting producers.

The point I am attempting to make is that across-the-board subsidies are not particularly favoured by me: assistance on an individual need basis is what I would much prefer, and the rural adjustments scheme does exactly that. In regard to comments made during the debate last Wednesday about the operations of the E. & W.S. Department and about the way in which the private irrigation trust appeared to operate in a much more economic manner than the Government's operation, they may well have some validity. However, I do not think it gets us very far just to condemn outright the E. & W.S. Department and the Government. What I have indicated is that there is quite a significant move going on now within the Government to more clearly identify the costs that the Government is up for in regard to irrigation in the Riverland.

It may well be that, once it has been established what the costs of the scheme are, indeed it may be a desire by the Riverland irrigators to take over the operation themselves. As I am not the Minister of Water Resources, I am not sure how feasible that would be. However, as is indicated in my amendment, the Government has already made moves to ascertain whether it would be possible for irrigators to take a great deal more responsibility themselves for their own irrigation work. It may well be that something like the Renmark Irrigation Trust could be established—I do not know, but the Government will certainly be working towards overcoming the problems experienced by the growers and the community. I would prefer something like that to come out of this debate today rather than simply taking a swipe at the E. & W.S. Department.

Also there is the question of the Federal Government's involvement. This is a very significant region of Australia and I think that the Federal Government has a significant role to play: whether it sees it that way is another question. However, I have been in constant contact with the Federal Government in an attempt to get it involved in our redevelopment council, which is something I feel has to go ahead. We have already had offers of assistance from the B.A.E. (Bureau of Agricultural Economics) to more closely identify the problems within the area.

In conclusion, I point out that the present Government (and this was the case with the previous Government as well) is very concerned about the Riverland. It is recognised that it is a difficult area involving a difficult problem. It seems to me that unless we get a redevelopment council going in some logical or orderly manner to first of all really identify the problems and to then suggest ways of solving those problems and then implement those suggestions, we will just carry on forever more pouring money into the area and not solving the problems.

This Government is attempting to do that again; that is expressed in this amendment. Everyone in this place will note that this is not a back-slapping motion from the Government at all. It is not one that says how marvellous we are for all the things we have done. We are pointing out some of the positive things that are being attempted in the region. It seems that that is far better than carrying either the motion or the Hon. Mr Milne's amendment. The motion is political and is having a swipe at the Government. If we pass the motion through the Parliament, it is suggesting that water charges should not go up.

The Hon. M.B. Cameron interjecting:

The Hon. FRANK BLEVINS: I am sure the Leader does. If these motions are passed, the Government will have to consider anything that comes before the Parliament or this House. I do not expect that the charges will go up. It is not the way to assist people in difficulty by giving an across the board subsidy to those who need it and not to those who do not.

The Hon. M.B. Cameron: Why do you keep referring to subsidies?

The Hon. FRANK BLEVINS: The Hon. Mr Cameron asks why I refer to subsidies. Even with these increases, the Government is still only running at about 25 per cent cost recovery. The decision is in the hands of the Council as to whether it passes a positive resolution and one with no

politics in it whatsoever. It would be far more usual for the Council to do that than to pass either the motion moved by the Hon. Martin Cameron or the amendment moved by the Hon. Lance Milne.

The Hon. H.P.K. DUNN: The amendment is a direct negative. It is a statement of Government policy and will not cure the problem at all: it is a whitewash. The Minister has just said that the motion involves a swipe at the Government and that it will not cure the problem. I believe that the Government is having a swipe at the fruitgrowers. Let us get the facts straight. Water is the lifeblood of that industry and is not something that one can do without, avoid or give away for a week or even a day. To change the direction in which the motion is headed will not cure the problem. Part IV of the Minister's amendment states:

The Federal Government should recognise its already substantial commitment of resources to the Riverland region, and actively co-operate with the State Government in examining the redevelopment potential in the region.

That is passing the buck—it is not solving the water problem. The Federal Government has a big investment in the area but the market is the problem and not the water rates.

The Hon. Frank Blevins: Exactly—thank you!

The Hon. H.P.K. DUNN: Therefore, the Government should not try to recover inefficient costs through water rates, as it is only exacerbating the problem. It should get out amongst the markets, help the growers and put the money towards allowing them to go away and search for the markets. However, this course of action is only compounding the problem. Putting up the water rates does not solve the problem. The use of carry-on funds or funds for assistance schemes will not cure the problem either but will only make it stay longer.

As to the Bureau of Agricultural Economics identifying the problem, the growers themselves have identified it: their costs are so high and their returns so low. To further increase costs by increasing water charges is heinous. Water costs are not exactly what they appear to be, because something is produced at the end of the line and sold either in Australia or overseas. If the multiplier effect is considered, the cost of that water must be less than the Minister would have the Council believe. The motion does not prove anything—it merely skirts around the issue.

Certainly, it is not going to cure the problem in the next few months, but it will probably make the problem last longer and compound it so that ultimately, when we do get around to curing it in the long term, it will be much worse than it is now. Further, there are areas in the State where subsidies are given, the prime example being the enormous subsidy given to the State Transport Authority, which is purely a non-productive undertaking involved just in shifting people from here to there. Certainly, it is not productive, as can be seen by the number of people travelling on its vehicles for much of the time.

Access to the north-eastern suburbs is another area that could be examined. Such transport systems are great users of funds, yet growers who are productive and who could be kept on their blocks are being told by the Government, 'We will increase your costs and make you less efficient. You will have to be thrown onto the unemployment market.' That is a cynical exercise. I support the motion and reject the amendment.

The Hon. I. GILFILLAN secured the adjournment of the debate.

ZONE E PRAWN FISHERY REGULATIONS

Order of the Day, Private Business, No. 5: Hon. G.L. Bruce to move:

That regulations under the Fisheries Act, 1971, concerning Zone E prawn fishery, made on 28 July 1983, and laid on the table of this Council on 4 August 1983, be disallowed

The Hon. G.L. BRUCE: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

PSYCHOLOGICAL PRACTICES REGULATIONS

Order of the Day, Private Business, No. 7: Hon. Diana Laidlaw to move:

That regulations under the Psychological Practices Act, 1973, concerning fees, made on 4 August 1983, and laid on the table of this Council on 9 August 1983, be disallowed.

The Hon. DIANA LAIDLAW: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

VEGETATION CLEARANCE

Adjourned debate on motion of Hon. M.B. Cameron:

That regulations under the Planning Act, 1982, concerning vegetation clearance, made on 12 May 1983, and laid on the table of this Council on 31 May 1983, be disallowed.

(Continued from 26 October. Page 1340.)

The Hon. C.W. CREEDON: I oppose the motion. But there are some points in the speech made by the Hon. Mr Cameron that I do agree with, particularly when he states that because of the widespread clearance of vegetation throughout South Australia's agricultural region of the past 150 years there is obviously a need to see that sufficient of the remainder is protected to ensure the continued existence of our native flora and fauna.

The remainder is pitifully small already, so it is not logical to see where more desecration of native vegetation can take place and still leave the State with sufficient of its natural heritage to be of use to the State and for those generations which come after us.

It is a pity, of course, that the present generation of owners is to be penalised because of the abuse of earlier generations and Governments, even the one that held office before the Bannon Government came to office, but we cannot live constantly in the past. Sooner or later we have to face up to reality: there is a price to pay, and I concede that where someone is new on a property it could be a harsh price to pay. On the other hand, some have owned the properties for a long time and have reaped great benefits. I ask could it be considered just that the taxpayer in general should be asked to foot all of the bill.

The taxpayer in the past has never had the benefit of being able to explore this environment. Mostly, prohibited signs are erected to ensure that people do not visit. The Hon. Mr Cameron complains about the method taken to introduce these regulations and is most critical of the fact that no warnings were given and that there was never any attempt to talk with the people who were most concerned. Just imagine the debacle if advance warning of the Minister's intention were broadcast and if there had been a pause time between warning of intention and action. A lot more of the native vegetation would have fallen to the bulldozer. It costs a great deal to retrieve the damage, and it would cost a great deal of taxpayers, money and many years before it could be enjoyed by those people who revel in a natural way of life.

During the term of the last Government, a vegetation retention scheme was introduced and attracted some attention from rural landholders.

The Hon. M.B. Cameron: It attracted some applications.

The Hon. C.W. CREEDON: Granted—about 170 properties and about 15 000 hectares were involved.

The Hon. M.B. Cameron: How many applications?

The Hon. C.W. CREEDON: Considerably more than that. The Liberal Government did not provide sufficient moneys to cover the cost. In fact, quite a number of agreements were signed committing the landholder to providing and managing small areas of land for the purposes of preserving and promoting the growth of native vegetation. The action of these landowners was commendable, and I would like to think that there are others who will do likewise because I believe that schemes still continue to operate.

However, it has been found that the voluntary approach which had had a three year trial was a slow one. While some progress had been made on the preservation of native species, the clearance rate has been going on at an accelerated rate.

It was quite apparent that a voluntary approach was inadequate. Native vegetation is a declining resource: 75 per cent has been destroyed since European settlement began in South Australia (a far greater amount than in any other State in Australia). Unfortunately, some form of control is necessary. We cannot continue to allow large scale vegetation clearance, because that would lead to an unstable and ecologically impoverished landscape that would cause a more disastrous loss of wildlife habitat throughout agricultural regions. In fact, almost a third of the mammal species that previously existed in our State is now locally extinct. Loss of habitat has been the principle cause of the dramatic decline. It is pointless trying to protect animal species without also protecting their habitat.

I now turn to a discussion as to why Government should look after these resources, contained in a statement entitled 'Vegetation Clearance, Supplementary Development Plan by the Minister,' as follows:

Land clearance is a form of development which can have considerable environmental impact, especially in South Australia where much of the remnant native vegetation is of marginal value for agriculture, but of high value for conservation. The need to regulate it throughout the agricultural regions of the State has become increasingly apparent as a result of investigations carried out over the past decade, and there is now a widespread concern to ensure that any large-scale clearance takes into account relevant environmental factors.

Whilst the settlement process made it necessary to clear vegetation and replace it with crops and pasture, it was evident by the early 1970s that clearance had reached a point where some constraint was necessary. Biological surveys had revealed that, in spite of legislative protection and the setting aside of parks and reserves, almost a third of the native mammal species once occurring in the State had become extinct and in some localities the loss had been much higher. In the Mount Lofty Ranges, for example, close to a half of the mammals once occurring were listed as either extinct or rare. Loss of habitat through land clearance was singled out as the principal cause of this dramatic decline. At the same time, botanical studies indicated that 40 per cent of the State's native plants were classified as either rare or endangered and a similar proportion of plant alliances were either not represented or barely represented within the formal parks and reserves system.

Although these percentages were to improve in succeeding years as more parks and reserves were acquired, further studies in the field of island biogeography demonstrated that unchecked clearance would increasingly isolate parks and reserves into island-like remnants in what would amount to a sea of cleared agricultural land. The resultant isolation, as in the case of true oceanic islands, would lead to genetic impoverishment and a gradual extinction of many plant and animal species within the parks. Only by facilitating genetic exchange through the movement of species across a mosaic of vegetated areas could such loss be minimised or avoided.

As a result of these studies, the protection of vegetation on privately owned rural lands came to be seen as an essential complement to the formal parks system and a growing awareness of this led to the setting up by the State Government in 1974 of an interdepartmental committee with wide ranging terms of reference to inquire into vegetation clearance.

The Committee's report was completed in October 1976 and in June 1977 it was released for public discussion and comment. The report confirmed that there had been widespread clearance in the agricultural regions, its tables indicating that 75 per cent of the original native vegetation had been cleared and replaced by introduced crops and pastures. In some regions, especially those with a long history of settlement and a relatively high rainfall, the extent of clearance was much greater: over 95 per cent on the Adelaide Plains and in the Mount Lofty Ranges, for example.

The committee concluded that urgent action was needed to slow the rate of clearance and a number of measures was suggested. The most important of these focused on the provision of financial incentives to encourage the retention of native vegetation on privately owned rural land. Public response to the report and its findings was generally positive, and a series of supplementary reports was commissioned to follow up in detail some of the general recommendations relating to incentives and the need for legally binding management agreements. The reports confirmed that an incentive scheme was feasible and following Cabinet endorsement in early 1980 legislation was drafted and passed by Parliament later that year (South Australian Heritage Act Amendment Act, 1980). In December 1980 the scheme was officially launched, with remission of local government rates and grants to cover the cost of fencing off approved areas of native vegetation provided as the main incentives. A legal *quid pro quo*, referred to as a heritage agreement, protected the community investment by requiring an owner/lessee to manage for conservation purposes any area subject to an agreement. Following the introduction of the scheme over 170 applications (covering in excess of 15 000 ha) have been approved for heritage agreements.

The level of interest has been high, but monitoring of the clearance situation by Department of Environment and Planning officers has indicated that as a means of restraining vegetation clearance the scheme is, on its own, inadequate. Clearance is continuing at a rapid rate: in the Upper and Lower South-East, for example, over half the native vegetation which remained on privately owned land in 1974 had been cleared by 1981. In one area alone (portion of County Buckingham) the reduction in remaining native vegetation over that seven-year period was 91 per cent. Included in the areas cleared recently has been vegetation of high conservation significance. It is evident from the high rate of clearance that rural landholders who have co-operated and voluntarily placed areas under heritage agreements are, in general, those already committed to retaining native vegetation. On being approached by departmental officers, relatively few landholders intent on clearing have been prepared to consider any modification of clearing plans and even fewer have actually entered into heritage agreements.

I think that that very well sums up the Government's intentions and the lack of interest on the part of landholders in relation to maintaining our native vegetation. The Opposition knows that positive action is necessary. This was proved by the small and timid steps taken by the former Minister (Mr Wotton) in relation to this matter. The Liberals did not have the guts to face up to their own mates and tell them that it was time they did something for their State. It is that lack of action, or show of authority, if you like, that topples the best of intentions. In any case, I do not have much faith in under-funded voluntary arrangements. I believe that the Government has a responsibility to look after the State's interests, and this Government is doing just that.

The Hon. B.A. CHATTERTON secured the adjournment of the debate.

SHOP TRADING HOURS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 31 August. Page 629.)

The Hon. G.L. BRUCE: I move:

That this debate be further adjourned.

The Council divided on the motion:

Ayes (9)—The Hons Frank Blevins, G.L. Bruce (teller), B.A. Chatterton, J.R. Cornwall, C.W. Creedon, M.S. Feleppa, I. Gilfillan, Anne Levy, and Barbara Wiese.

Noes (8)—The Hons J.C. Burdett, M.B. Cameron (teller), L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin, R.I. Lucas, and R.J. Ritson.

Pairs—Ayes—The Hons K.L. Milne and C.J. Sumner. Noes—The Hons C.M. Hill and Diana Laidlaw.

Majority of 1 for the Ayes.

Motion thus carried; debate adjourned.

SHOP TRADING HOURS ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from 9 November. Page 1530.)

The Hon. R.I. LUCAS: I am pleased that this matter has been delayed for a week, as I would have been extremely disappointed if this measure had been rammed through last Wednesday evening, as it appeared might be the case, particularly as the Hon. Mr Cameron's Bill had been delayed by the combined forces of the Democrats and the Government—

The Hon. L.H. Davis interjecting:

The Hon. R.I. LUCAS: —or by the combined forces of darkness, as my colleague suggests, for a seemingly interminable period, resulting from the actions of the Hon. Mr Bruce.

The matter has been on the Notice Paper since 10 August, some three months. The combined forces of the Government and the Democrats are preventing Parliamentary debate on what is a very critical matter for consumers of red meat in South Australia. I indicated during the debate on the Hon. Mr Cameron's Bill on 17 August my support for the extension of red meat trading hours envisaged in that Bill. I will not repeat my reasons for supporting the extension as provided for in that Bill. Quite properly, I will address myself to the Hon. Mr Gilfillan's Bill. In my view this Bill will not achieve an extension of trading hours for red meat. There is no doubt that the total trading hours per store, per business will be fixed and that there will be no extension. It is interesting to note the Hon. Mr Gilfillan's views as enunciated in his second reading explanation of this Bill, compared to the views he expressed as recently as 31 August in this place in support of the Hon. Mr Cameron's Bill. On 31 August he stated:

I think that the contrary is true: most small butchers realise that they need to be open for these longer hours—

I stress the words 'longer hours'; reference was not made to a fixed number of hours, but to longer hours—

and are enthusiastic to get those hours in place. I know that those who have looked, as I have, at small butchers' shops will realise that they are now diversifying and making their shops attractive to a wider range of customers. I believe that they have seen an indication that they will be able to compete with other meat outlets during these hours—

that is, 'longer hours'—

and that they think that they will be able to attract a wider range of customers into their shops by doing this—

that is, by trading for longer hours and not on fixed hours—

Any person involved in the fresh red meat trade should be made aware that this product has to be marketed with the same verve, on the same terms and during the same hours as its competitors because people are slowly slipping away from the consumption of fresh red meat and, to a large extent, I believe that that is because of the archaic marketing system presently before the public.

I say, 'Hear, hear' to those comments. That is an excellent view, expressed as recently as 31 August this year in support of the Hon. Mr Cameron's Bill. The Hon. Mr Gilfillan stressed the fact that fresh red meat must be marketed 'on the same terms and during the same hours as its competitors'. He had spoken previously about red meat competitors in the market place and had expressed a strong view, for which I congratulate him, that red meat should be able to be traded during all the times that other traders operate on Thursday nights and Saturday mornings. I applaud those views. The Hon. Mr Gilfillan further stated on 31 August this year:

It will give me great pleasure at that time if it—

that is, the Hon. Mr Cameron's proposed legislation for the extension of trading hours—

received substantial support in both Houses of this Parliament. In conclusion, I emphasise that I strongly support the intention expressed in this legislation—

that is, for an extension of trading hours—

and look forward to a happy result from it for consumers, producers and retailers in the trade when this reform eventually passes this Parliament.

Clearly, the views expressed by the Hon. Mr Gilfillan (which we on this side of the Council all applaud) will not be achieved by the provisions contained in his Bill presently before the Council.

It will not achieve an extension in shop trading hours in South Australia. In looking at the effects of the Bill, we have to look at the needs of consumers of fresh meat in South Australia. It is fine to talk about producers: I will get to that matter again, and I am sure that the Hon. Mr Gilfillan will get to it in his reply. However, surely the paramount concern must be the needs of the South Australian consuming public. I believe, as do other members, that this Bill may well (I do not argue that it definitely will) end Saturday morning shopping in certain areas in South Australia. Other members have referred to the effects in country areas but I will not go into that. I would like to look specifically at what mght happen in, for example, an outer metropolitan suburban area where there may be a small supermarket or perhaps just one butcher in that isolated area.

Let us look at the situation of a single supporting mother with young children providing for herself and her family. She may work in the city from 9 a.m. to 5 p.m. She is up early to catch the bus or train to Adelaide and does not get back to the outer suburban area until possibly 6 p.m. or later, knowing the outer suburban public transport under this Government. The very young children are often in child day care at considerable expense to the single supporting mother. She collects the children at about 6.15 p.m., gets them home, feeds them, baths them—

The Hon. Barbara Wiese: We don't need the gory details.

The Hon. R.I. LUCAS: Believe me, they are gory details, particularly if they are young. The mother looks after the young children and they must be put to bed at a reasonably early hour. There is no time for the mother to be whipping off to the only butcher in her area to get supplies for the week, in particular, fresh red meat. Therefore, she has to shop on Saturday morning.

The Hon. Anne Levy: No, she does it during her lunch hour, eating a sandwich walking up Rundle Mall and being criticised for it.

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The Hon. Miss Levy makes an excellent point. The poor single supporting mother—

The Hon. Anne Levy interjecting:

The Hon. R.I. LUCAS: —or single supporting father has to struggle through the lunch break whilst grabbing a sandwich and being criticised for shopping at the same time. It is not convenient, and we have to consider the consumers. To get around the problem, the poor single supporting mother shops on Saturday morning when she may have to drag along her toddlers which can be a mind-bending experience; it is the least inconvenient time for her to shop. Let

us think about that group of consumers. The Hons Miss Levy and Miss Wiese will agree that they are not an inconsiderable number in metropolitan Adelaide at the moment.

The number is increasing, and it will possibly continue to increase; it is not a minority but a substantial proportion of the consumer public. What happens in that isolated outer-surburban area if the one butcher decides to open on Thursday night? The Hon. Mr Gilfillan suggests that there will be no fresh red meat trading on Saturday morning in that area. In his speech, the Hon. Mr Bruce said that one should shop around, that perhaps there would be a shop open five miles away and the poor consumer could go there. Clearly, the Hon. Mr Bruce owns a fine motor car (I will not ask the honourable member how he came by it, although I know it was legal) but the single supporting mother with several toddlers to support might not have access to private transport. Perhaps the Hon. Mr Bruce is not aware of how difficult cross-surburban public transport travel is. How will a poor single supporting mother cope with that, and the fact that no fresh red meat will be available in her area? She cannot shop on Thursday night because she needs to put her children to bed; she is already paying for child care all through the day, and her children must be in bed by 7 p.m. or 8 p.m.

The Hon. Anne Levy: She cannot afford red meat.

The Hon. R.I. LUCAS: I hope that the Hon. Miss Levy is not becoming a modern-day equivalent of Marie Antoinette and is not suggesting that they cannot have it—let them eat cake! Surely people should be able to shop for fresh red meat during trading hours that are convenient for single supporting parents in outer-surburban areas.

[*Sitting suspended from 12.59 to 2.15 p.m.*]

The Hon. R.I. LUCAS: Prior to the break I was discussing one single section of the consuming public which would be significantly disadvantaged by the proposal of the Hon. Mr Gilfillan with respect to red meat trading hours, and that was the single supporting mother with young children. Those people may well find themselves in the situation of not having Saturday morning trading available in their areas because the local butcher decides for convenience to open his shop on a Thursday night. Perhaps the number of single supporting mothers in that area is not a significant portion of his market to justify his opening on Saturday rather than Thursday night. Under the Hon. Mr Gilfillan's Bill he would have to choose one or the other of those opening times. That butcher may well decide to open on Thursday night, and that significant section of the consuming public could be disadvantaged.

The Hon. Ms Levy, by way of interjection, referred to another significant section of the consuming public: the two-income family. I will not go over in detail the argument for that section of the consuming public, but equally a case can be made that if a single butcher or supermarket, or even a couple, choose to open on Thursday night the two-income family groups will be fairly disadvantaged if Saturday morning is more convenient for their being able to shop, particularly if they do not have the cross-suburban transport that the Hon. Mr Bruce suggests they should use to go shopping for fresh red meat. It may not be convenient or possible for those people to go five to 10 miles away to find a butcher who is open on Saturday morning so that they can get their supplies of fresh red meat on a Saturday morning.

The second area at which I would like to look is, for example, my own shopping area—the Norwood Parade area. In that area four or five single butchers are in close proximity to a supermarket, which has a butchering outlet within it. On a Saturday morning there is significant competititive pressure in that little regional market. A good consumer can shop around and get his or her fresh red meat on Saturday morning at a significantly reduced price. It is unlikely that in an area like the Norwood Parade there will be the same problem as in an isolated suburban situation or where there may be only one retail meat outlet. It is unlikely that all four or five would close on a Thursday night or on a Saturday. The position may well be that most of them will decide to open, say, on Thursday but one of them will decide to open on Saturday to cater for the Saturday morning trade, or vice versa. Nevertheless, the advantages for the consuming public in having four or five retailers trying to beat each other with respect to bargains, specials and discounts may not be available to the consuming public in the Norwood Parade area. That is just an example of any other area; it may be any small regional market for retail meat sales in the metropolitan area.

Once again, it is very easy for the Hon. Mr Bruce to say that if they cannot get it on Saturday morning in Norwood they can hop in their cars, buses or whatever and go five or six miles across town. As I outlined before, that is not as easy for some members of the public to do as others.

The Hon. J.C. Burdett: They have to find out which shops are open.

The Hon. R.I. LUCAS: That is right. The Hon. Mr Burdett quite correctly points out that they have to find out which shops are open. How, for example, is the consumer in Happy Valley to find out whether a shop in Brighton, Flagstaff Hill or Aberfoyle Park is open, particularly if they do not get the local Messenger newspaper? How is the consumer to know? Does he drive around for an hour or two on Saturday morning to find the nearest open butcher shop? I would be interested in the Hon. Mr Gilfillan's response to that.

The second problem with the Hon. Mr Gilfillan's situation is the complete inflexibility of his proposal. As I understand it, the butchers have a short time (I think that it is two months)—

The Hon. I. Gilfillan: One month.

The Hon. R.I. LUCAS: One month: it is even shorter than I thought—to trade under either provision, on Thursday night or Saturday morning; then they make a decision and are stuck with it for 12 months. So, the butcher in the space of one month makes a decision to open on a Thursday night or a Saturday morning. Then that butcher must trade on that Thursday night or Saturday morning—whichever he or she has chosen—for 12 months. The inflexibilities and rigidities of that proposal ought to be evident to all honourable members.

What happens if the small businessman—the butcher—makes the wrong guess about his or her market for that area? Say he or she chooses to open on the Saturday morning and one or two months down the track it becomes evident that the wrong decision has been taken and that he or she should have been opening on Thursday nights, or vice versa. That small businessman has to wear the effects of that decision for 12 months, as I understand the Hon. Mr Gilfillan's Bill, before the decision can be changed. Twelve months, after a wrong decision, may well be just enough to send that small businessman down the tube. These inflexibilities and rigidities that the Hon. Mr Gilfillan has as essential parts of the Bill really need to be considered again.

What happens if that small businessman in one area—a butcher—makes a decision to open on Saturday morning in light of the prevailing retail regional market, and a new competitor comes into the area (whether a new supermarket butcher outlet or a new butcher in a regional development)? That may well change completely that local regional market for fresh red meat sales; yet the butcher in the first instance has made a decision and is stuck with it for 12 months. The whole regional market for fresh red meat in that area

may well be changed by the introduction of new competition. The small regional businessman in that area who has made the first decision is stuck with what the market for fresh red meat in that area used to be and cannot get around that decision. The problems of that inflexibility, once again, ought to be apparent to all members who are contemplating supporting this measure. It may well be that that small businessman will go down the tube, too, while he or she waits for the opportunity to change the decision.

I raise a specific question with the Hon. Mr. Gilfillan with respect to what may well be a possible loophole in his Bill. What happens if a supermarket attempts to circumvent the legislation by operating two leased butcher shops within one supermarket? They could be leased by the same person through different companies, through a legal mechanism that allows a supermarket, such as Woolworths or K-Mart, to operate two butcher shops at either end of the store. I am not a legal expert, but I suppose that could be done through two different leasing arrangements. What happens in that instance? A supermarket may well be able to organise one butcher shop outlet within the building to open on Thursday nights, while organising the other butcher shop at the other end of the store to open on Saturday mornings.

It may well be argued within the provisions of the Hon. Mr Gilfillan's measure that the two shops are separate entities: they made separate decisions, one deciding to open on Thursday nights and the other deciding to open on Saturday mornings. If the Hon. Mr Gilfillan persists with his measure (with Government support) and he achieves what he says that he wants to achieve in his latest second reading explanation, it would behove the Hon. Mr Gilfillan to check whether the loophole that I have mentioned is a possibility. I simply raise that matter with the honourable member on this occasion. If that is a possibility, it would certainly not achieve what the Hon. Mr Gilfillan has said that he wants to achieve with this measure.

I have indicated that in my view the interests of the consumer are most important. I believe that those interests will not be well served through this attempt at compromise by the Hon. Mr Gilfillan. The question of whether the Bill has the support of producers is an important matter. In relation to that question I refer to an article in the *Stock Journal* of 2 November. To prevent myself from getting into the same problems as the Hon. Mr Gilfillan, I will quote the article in its entirety. The article is headed, 'Shopping Hours Bill Hit', and it states:

Australian Democrat moves to liberalise late night trading restrictions on red meat have been condemned by the United Farmers and Stockowners.

Democrat M.L.C. Mr Ian Gilfillan has grossly misrepresented the United Farmers and Stockowners when he claimed the organisation supported his compromise Bill to amend the Shop Trading Hours Act, delegates to the wool and meat council were told.

Mr Gilfillan's Bill, introduced into Parliament last week, proposes that retail traders have the option of selling red meat during late night trading hours or on Saturday mornings—but not both.

He told Parliament on Wednesday last week that producers 'who have been agitating for this measure for a long time have indicated their support'.

He claimed a letter from the United Farmers and Stockowners had made the organisation's support clear and that he would not have considered introducing his Bill if producers had not backed it.

That is a very important paragraph. The article continues:

However, United Farmers and Stockowners meat committee vice-chairman, Mr Gerald Martin, said the organisation had never contemplated Saturday morning as an alternative or trade-off for late night red meat trading.

He accused Mr Gilfillan of quoting selectively from a letter from wool and meat section executive officer, Mr Warwick Sutton, and of grossly misrepresenting the United Farmers and Stockowners position.

Mr Gilfillan quoted the United Farmers and Stockowners letter as saying: 'My organisation believes that shop proprietors ought to have the option of opening late night or Saturday morning.'

However, in the original letter the sentence actually concluded with the extra words:'—not compulsorily one or the other'.

The Democrat Bill was not progress in any shape or form, Mr Martin said.

'There would still be a period when red meat would not be available at any given outlet and that time would essentially total the same as it does now.'

Mr Martin said he was not sure that the United Farmers and Stockowners should even accept the Bill as being some sort of compromise, let alone support it.

'I don't believe it is a compromise.

'We may even be better off sticking with the *status quo*, if that is the only thing the Government will wear, and then take the fight to arbitration,' he said.

Meanwhile, a number of council delegates fear that the success of the Democrat Bill could actually lead to the end of Saturday morning trading in red meat.

They argue that union employees could easily argue that with Thursday night trading available, Saturdays should be scrapped, leaving their weekends free.

Knowing the Hon. Mr Gilfillan as I think I do, I do not believe that he deliberately misled the Council. That is my personal view—others may take a different view. I believe that it must have been a mistake or perhaps a misunderstanding by the honourable member.

I believe that he owes it to himself and to this Parliament to clarify the exact problem with his quotation from the letter by Mr Warwick Sutton. In summary, producers do not want this measure. The Hon. Mr Gilfillan is quoted as saying that if he did not have the support of producers he would not have even contemplated introducing the measure, let alone expecting support for it. I am sure that the honourable member will not resile from that quote. The *Stock Journal* article by the United Farmers and Stockowners clearly indicates that organisation's view on the matter. Producers do not want the measure and significant sections of the consuming public clearly do not want the measure.

Who does want the measure, besides the Hon. Mr Gilfillan and the Government? Clearly, the only possible answer can be the unions involved in the industry. I am disappointed that this move by the Democrats may well have released pressure on the Government. Pressure was building on the Government to liberalise trading hours for the sale of red meat. I am disappointed that this Bill has been introduced. I support some of the remarks of the Hon. Mr Cameron. If the Hon. Mr Gilfillan wanted the kudos for introducing the Bill (and I accept that, having introduced the Bill some months ago, there is an argument in that respect) perhaps he could at least accept the Hon. Mr Cameron's amendments, which would still allow him to be seen in all publicity for the measure as having pushed for this reform.

The Hon. Diana Laidlaw: He wouldn't be compromising his principles, either.

The Hon. R.I. LUCAS: Yes, as the Hon. Miss Laidlaw says, he would not be compromising his principles as stated on 31 August. That is particularly so when the Hon. Mr Gilfillan does not have the support of producers, which he indicated was a necessary prerequisite for this compromise position. I can only hope that perhaps the honourable member will reconsider his position and accept the Hon. Mr Cameron's amendments so that the measure can more closely mirror the Hon. Mr Gilfillan's original Bill and the subsequent Bill introduced by the Hon. Mr Cameron.

I must say that I am in a dilemma as to which way I ought to vote in relation to this measure. As I have indicated, there are significant problems with the Bill and, ultimately, they could be significant reasons why I should not support it. I believe that significant sections of the consuming public, such as single supporting mothers with young children living in the outer suburbs, may well be deserted by the Hon. Mr Gilfillan, the Hon. Miss Wiese, the Hon. Ms Levy and other members of the Labor Party if they support the Hon. Mr Gilfillan's proposal. I support the Bill at the second reading,

with a view to seeing whether the Hon. Mr Cameron's amendments are accepted. I will reserve my final decision until the third reading.

The Hon. R.J. RITSON: In speaking to this Bill I would like to begin by putting the background of the whole question of legislative control over the process of trading and over the exercise of free competition. Such artificial constraints and controls are certainly not new. A couple of hundred years ago Adam Smith made the observation in some lengthy writings that if only trade and commerce were free of certain restrictions then prices and production would find their natural level and produce a more harmonious society. Indeed, the sorts of constraint he was seeking to remove were far greater and far more Draconian than exist today. For example, the Weavers Guild had such influence over the Parliament in England at that time that it was able to have enacted I think a penalty of some £5 000 for being found in possession of a certain sort of improved weaving loom which threatened the power of the guild. On that same issue, across the Channel in France a number of people were executed for possession of that loom.

In a certain way we have come some distance in the past 200 years along the track of freeing enterprise a little bit from such constraints. I do not think that anybody would today argue that a totally free, absolute system would work because that would mean no safety regulations, no taxes etc. However, I still think that we have to call into question at every opportunity instances of Parliamentary protection in areas which are aimed at perpetuating a particular vested interest. Honourable members of about my age would recall the corner grocer shop and that after 5 o'clock the delicatessen owner put a wire grill in front of the shelf that had the tea and sugar on it and that if one did not buy one's tea and sugar between 9 a.m. and 5 p.m. on weekdays one could not get it at night. Of course, they usually had a padlock that was broken and if the inspector was not in the shop they would fiddle the lock and sell you the stuff anyway. That law was to protect what was seen as the vested interest of the grocers. It was thought that if anybody was to be allowed to sell those products the corner grocer would disappear. Of course, in that sense he did disappear, but is still very evident in society now as a somewhat larger store selling a wider range of groceries over a wider range of hours—so true competition exists, and society is better served.

The old protection was merely something which delayed progress. Some of the more recent removals of restrictions which have enabled the many supermarkets to trade after hours and to serve consumer's needs have enabled further progress in the orderly march of society towards a better marketing service to the consumer. It is, therefore, an anomaly that one product, and one product alone, has been singled out for Parliamentary restraint. It has been singled out as a product which is not to take part in this evolutionary change in response to society's changing needs—and that product is red meat. It is a product which, notwithstanding any other relaxation of shop trading hours, may not be sold on the same terms as the rest of the range of products that one finds in shops which are open outside of the 9 a.m. to 5 p.m. range of hours.

I can only see this as some sort of troglodyte approach where the legislators have looked through a very high powered lense at a very small issue—namely, the political resistance, as it were, of people on the marketing side of some unions, perhaps, who do not wish to work at night, and some, but not all, butchers. For some time the issue has been seen as a conflict of interests between meatworkers on the one hand and producers on the other. In fact, it should not be seen in those terms at all, but should be seen in terms of changing needs of communities and consumers. It should be seen in terms of the evolutionary response of the Legislature in easing restrictions to allow the trade generally to meet the needs of the consumer. As I have said previously, this evolution has occurred over the years in many fields but, for particular reasons, the sale of red meat has been a spectacular exception. I think that it is no secret that the Liberal Party, which is now a Party with a firm policy on this matter, did not have a firm policy on it when in Government. A number of people have said to us that we did not do this when in Government and ask why we are doing it now. The Party system is a complex one and, as we hear from honourable members opposite who have their system of branches and caucuses which receive representations from people in the community as well as from within the Party, and has its own particular method of policy formation, so do we.

The thing about this Bill that led us to having so many different Bills before this Chamber from so many different sources is, in fact, intimately bound up not only with the matters contained in the Bill but also with matters within the Parties and their various policy formation processes. All three Parties in this Chamber have, over past months (and, indeed, over the years) undoubtedly been undergoing their own internal discussions on this matter. All of that is history because it is common knowledge that several months ago our Leader announced a formal policy—that is, that when in Government the Liberal Party will enact the sort of legislation now before this Council as a Private Members Bill. The reality is that such Bills have a very poor track record, whereas Government Bills have a very good track record. The Australian Democrats have, I would think, almost no prospect of forming a Government. The Labor Party does not have any policy that I know of to enact the sort of legislation before us. Therefore, regardless of the history of the matter, the practicality exists that this Bill is very likely to become law whatever is said or done here, and if the Liberal Party does come to power a Bill such as the one introduced by the Hon. Mr Cameron will become law.

Pursuing further the political background of the situation in which we find ourselves, I believe it is significant to remind ourselves again of what sort of Bill the Democrats now have before the Council, what sort of propositions they made originally, what sort of inconsistencies existed between the first Bill and the second Bill, what sort of explanations there might be for these inconsistencies, what sort of procedural devices have been used, what has been the effect of those devices in terms of delay, and whether we can find a possible rational explanation.

In the first place (and I must be prepared to be corrected, because I was not in the Council at that time), at or about the time the Liberal Party's committees and membership were working to formulate present policy, at a time when the policy ingredients were melting in the crucible and were about to gel, presumably the Australian Democrats, by reflecting on their navels and the colour of the sky, decided that it was the exact time for them to bring in a Bill. They brought in a Bill that was deregulatory in the sense that its general thrust would be consistent with the core of our policy. It is very likely that we could have supported that Bill, but from what I am told about it, there were some problems, in that some parts of the Bill might impinge upon other areas of trading in a troublesome way.

The history of that Bill was as follows. My Party sought an adjournment to have some time to consider the matter, but it was denied that opportunity. The end of the session put paid to the Bill, as it would have done in practical terms in any case. The issue was then muddied by allegations that my Party opposed deregulation of red meat sales. At

that point, the Australian Democrats, in their concern for the consumer and producer, introduced a Bill of some complexity that my Party wanted to consider for a few weeks. That Bill could have been reintroduced in the next session. We agreed to the thrust of the Bill.

Subsequently, we introduced a Bill, but we have been prevented from debating that matter for three months. That measure permits late night shopping for red meat without altering any other trading rules and regulations. Our Bill puts red meat on the same footing as other products that small stores and supermarkets generally stock. The Australian Democrats took similar action, but they have consistently used procedures and their numbers in collusion with the A.L.P. (and the policy of that Party in this matter seems to be somewhat schizophrenic) to prevent debate on the Bill that would put red meat on an equal footing with other products. They have introduced what can only be described as the Clayton of all Claytons in terms of legislation—the extension of red meat sales when you are not going to extend sales. The Democrats introduced this peculiar instrument in writing which did not extend the number of hours in the week—

The Hon. L.H. Davis interjecting:

The Hon. R.J. RITSON: Yes: The Hon. Mr Davis makes the point that they are getting in for their chop without getting in for their chop. This Bill appears to be deregulatory by allowing late night shopping, but only on the condition that butchers give up Saturday morning trading if they wish to open during late night shopping. I will not go through all the problems that that would create, because my colleagues have done that very well, although I believe it is worth restating quite clearly that the measure does not provide an extension of trading hours. It does not put red meat sales on an equal footing with the sales of other products: it is creating an enormous smokescreen and delay and I wonder when the deal was done.

Members opposite know better than I do what that deal was. Some deal has been made, because forces are influencing the A.L.P. I suppose that this is not the sort of legislation that any Government likes to be in charge of, because one can never please everyone, and I rather suspect that the Democrats have had the word from the A.L.P. that, if they introduce a Bill that really does not come to grips with the problem, the A.L.P. will co-operate to prevent our Bill from being debated, giving the Government of the day time to wriggle and squirm and decide what to do in electoral terms.

Of course, quite frankly, the word around is that the Minister of Labour is working out how he can devise a responsibility-sharing QANGO, a commission, to investigate the matter, and take it out of the hands of the Legislature to take the blame away from the Government of the day. That is the only explanation for the apparent lack of policy on the part of the A.L.P., and the apparent inconsistencies between the totally different contents of the first Democrats' red meat Bill and the second Bill, and the totally different attitude to the urgency of the situation: in regard to the first Bill we were not allowed a decent adjournment to consider the matter, but, in regard to the second Bill, the procedures of the Council have been used to prevent for 3½ months debate on the Bill that was introduced by the Hon. Mr Cameron.

I refer now to a remark that was made by the Hon. Mr Lucas as to the attitude that we should take to this Bill at the second reading stage. Normally, if we were in agreement on a Bill such as this, if it was commonly agreed that many butchers wish to give more service and to trade for longer hours, if we were commonly agreed that we wished to extend trading hours and to work in an orderly and methodical fashion to deregulate commerce, if we knew that we had this kind of agreement, forgetting whether this was my Bill or anyone else's Bill, we could support the second reading and work out the details of an agreement. But I seriously doubt whether we are commonly agreed that red meat trading should be increased in terms of the hours of access of the public.

I say that because of the way that the Democrats have changed the substance of their legislation from legislation which increased trading hours to legislation which does not. They have been absolutely paranoid and obsessed with preventing our Bill from being debated (with the collusion of the A.L.P.), and I suspect that the collusion to fuddle and delay, in order to give the A.L.P. the chance to create a responsibility-shedding QANGO to deal with this, is the correct theory.

In spite of that, I am going to give the Democrats the benefit of the doubt and support the second reading, as the Hon. Mr Lucas said he would. I will then look with great interest to see whether, in Committee, some genuine and independent thought and attitude on the part of the Democrats might indicate that they could see their way clear to amending the Bill to make it consisent with the Bill introduced by the Hon. Mr Cameron, at least in terms of extending the numbers of hours in the week during which consumers can shop for this product and do so in a way which discriminates neither for nor against any type of retail outlet selling this product. In areas where there is strong social demand for this product, the law is honoured more in its breach than in its observance.

The existing Act has a definition of fresh meat and, amongst other things, it exempts processed meat and gives some hints as to what processing means. The slightest degree of not merely cooking but flavouring etc. is probably regarded as processing. Thus, in areas where there is high demand one can find fresh T-bone steak with garlic being sold on Sunday afternoon, or steak with onion powder. I do not know whether this situation has been tested at law, but I assume that the proprietors interpret the law in their own favour and hope that, if the law should ever be vigorously policed, they could argue that that meat was processed. It may be that they can argue that. In other areas, the law is openly flouted—the whole situation is a farce.

The situation is simply fixed: put them on an equal basis, extend hours reasonably instead of having this stupid business of not being able to open on Saturday morning if one is open on Thursday night. I will support the second reading, but I would like to see real evidence in Committee that the Democrats are not merely defusing this issue in terms of A.L.P. policy.

The Hon. R.C. DeGARIS: I will be brief in speaking to this Bill. I am pleased that the Hon. Bob Ritson said that he will support the second reading of the Hon. Mr Gilfillan's Bill. It is time that I made some contribution to this debate, as I am the only member in this Council who has always voted against the position in which red meat stands in our shopping laws and who has also voted for a Bill's passage to change that position. I am the only member of this Council who has taken that position.

The Hon. Frank Blevins: You have always lost.

The Hon. R.C. DeGARIS: Yes, and on my own, too. Having moved for change some years ago and having received no support from anyone in the Council—Liberal, Labor or Democrat—I intend to agree with the view expressed by the Hon. Diana Laidlaw and the Hon. Bob Ritson that the position is now farcical. I must admit that after all this time at least now there are two Democrats and nine Liberals who are willing to vote for the removal of this restriction on one—and only one—basic food commodity.

How much easier would it have been if previously members had voted on principle rather than considering some personal advantage or some minor political consideration. We have now reached the stage where the Council, after not supporting my views, decided not to permit the private member's Bill of the Hon. Mr Gilfillan to pass by adjourning the Bill at the close of the last session. Then, in this session the Liberal Party Leader immediately introduced his Bill, which has now been adjourned for several weeks. I know how the Hon. Mr Gilfillan would feel about that. The Hon. Ian Gilfillan has introduced a Bill, which does not go as far as the original Bill he introduced, in what appears to be a deal with the Government—I agree with the Hon. Dr Ritson in regard to this matter. Having always advocated the repeal of the existing position, I will vote for any change, even though that change may be minimal because, having taken years to get this far, any change will eventually lead to what should be the correct position.

The position which has now been reached is sad: sad from the point of view that when the Liberals had the chance to make this change we refused to do so. Now the only change that can be made is change which the present Government will accept. I will vote for the passage of the Bill; I will vote for the passage of the Liberal Party Bill; I will vote for anything that improves the position—

The Hon. M.B. Cameron: And the amendments?

The Hon. R.C. DeGARIS: I have not seen the amendments, but I will vote for any change that is to the benefit of red meat—

The Hon. M.B. Cameron: The amendments are on file.

The Hon. R.C. DeGARIS: Right—whether by amendment or by a Bill coming in. I support the second reading.

The Hon. I. GILFILLAN: I expect that much of what has been contributed in the debate needs to be dealt with in Committee. Also, I have some respect for consideration of a more important matter that the Council must deal with in the remainder of the day. It would not be appropriate for me to reply in detail to the volume of comment and criticism that has come forward in the speeches from the Opposition side. Much of the attack has been a personal attack, and I do not deliberately ever want to appear to be cowardly in my response to it. I want members who believe that they have a valid criticism to feel free to raise it in Committee, when I hope we can discuss at length any issues that they want to raise.

However, the major criticism is basically irrelevant to the substance of the Bill and concerns the interpretation of a letter. I will read the letter in full to the Council so that honourable members know exactly what it is that I have been accused of grossly misrepresenting. Before that, I want to refer to the conditions that applied before I received the letter. When the Hon. Mr DeGaris said that he would support anything that would change the current situation—obviously, changed for the better, to improve the marketability of fresh red meat—

The Hon. R.C. DeGaris: You could not make it worse.

The Hon. I. GILFILLAN: No—I presume that he meant a change that would put such improvement into effect. That is the dilemma that has confronted me and my colleague when we considered the interests of producers and consumers in the sale of fresh red meat. We could and can indefinitely pass Bills in this Council which would aim at achieving the ultimate in lifting the restrictions on the sale of fresh red meat.

Unless the Bills had some chance of being accepted in the House of Assembly it really would be a farce (that is the appropriate word). If honourable members—and I may have been in this category—believe that by repeatedly passing Bills in this place we can eventually wear down a Government which will not accept the total that some members want, that is a value judgment that each one has to make individually. However, I do not think so, and I felt that an opportunity was offered to me by the Government to introduce a Bill which, in the circumstances that it put up (in other words, that it could be accepted by the union involved), it would approve and pass it through so that it had a chance to come into effect.

With that background I entered into discussions with the United Farmers and Stockowners and the Australian Meat Workers Union. I had an informal discussion with Warwick Sutton, the Executive Officer who is handling this matter. I had a cup of coffee with him and discussed the matter as openly and honestly as I could with him. As a result of that conversation it was my impression (I say 'my impression' because I do not want Warwick Sutton to carry any responsibility for having given me any false information or for having deliberately misled me) that he could see the advantages for the producers in this modified reform, if that was all that we could get.

I also had a conversation with Gerald Martin, who is quoted in the Stock Letter as being so vociferous about me and my supposed misrepresentation, and gained the impression that he would much prefer the lifting of the restriction on red meat sales, and that if all we could get in the future was compromise then it was worth pursuing that.

The Hon. M.B. Cameron interjecting:

The Hon. I. GILFILLAN: There has been a fair bit of prejudgment over here, if the honourable member is talking of prejudgment, but I am entitled to make my comment. As a result of that conversation I was under the impression that a letter written to me by Warwick Sutton of the United Farmers and Stockowners was in essence to help me to continue the argument and to campaign to get the restrictions on fresh red meat lifted in the light of knowing what it was that I could do—in other words, come to a compromise. I will read this letter to the Council so that we can all share exactly what is in it. It is addressed to me, and reads:

> Further to our telephone conversation yesterday, I have to hand information with relevant details to the argument showing that livestock producers are contributing significantly towards promotion of red meat, thus dispelling any fears that may be held by Australian Meat Industry Employees Union members and retail shop proprietors they are on their own in promoting the consumption of red meats. I also confirm that information provided by the Commonwealth Employment Service in September indicates 91 retail butchers were registered with the C.E.S. for employment in the metropolitan area as shop butchers.
>
> Mr Tonkin, at the time of the Royal Commission, advised that there were no such persons seeking employment. As you can see, the position has now changed and we believe that more work will be provided to A.M.I.E.U. members if red meat is available for sale during extended shop trading hours. My organisation believes that shop proprietors ought to have the option of opening late night or Saturday morning—not compulsorily one or the other.
>
> Some reasons that quickly come to mind to qualify the previous statement would be:
>
> - Consumer buying pattern preference summer/winter.
> - Younger persons moving into older suburbs increasing the need for late night trading.
> - The change of ownership of butcher shops, public holiday and annual vacation periods affecting sales . . . and so on.
>
> Producers have levied themselves 2c per head of sheep slaughtered for promotion research and are currently agreeing to a further 10c per head levy on lambs to fund extra promotion and, only this week, the Minister for Primary Industry is receiving industry's recommendation for major promotion and product development campaign.
>
> Recent emergency and spring promotion of lamb had boosted sales by 20 per cent in Sydney, and 40 per cent in Melbourne. Annually, livestock producers contribute $2.2 million towards domestic promotion. However, since August, $500 000 has been spent on general red meat promotion (including attempts to increase sales of prime lamb). I hope the foregoing will be of some help to you.
>
> With kind regards,
>
> Yours sincerely,
> W.L. Sutton, Executive Officer

My interpretation of a sentence is that the substance of the sentence is in the first part. It is very unusual for the substance of a sentence to be changed or contradicted in the latter part of the sentence, which is a phrase after a dash. I may be wrong in that interpretation, but I would say that it is very difficult to find any written literature reading that way. I shall read part of the sentence that I have in mind:

My organisation believes that shop proprietors ought to have the option of opening late night or Saturday morning—

If we pause there, it is reasonable in reading that part of the sentence to assume that proprietors should have the option of one or the other. If there was the intention for it to be 'late night and Saturday morning', 'and' should be where the 'or' is, but 'and' is not there. Then there is the dash, followed by 'not compulsorily one [which I assume to be late night] or the other [which I assume to be Saturday morning].'

That interpretation may be open to challenge, but what is not open to challenge is my integrity in the interpretation that I put on it. From now on, I do not intend to refer to it because I do not believe that it is relevant to the subject before us. I am happy to further discuss it in private or to show others the letter.

The other point is whether or not it is critical to the proprietors whether this Bill proceeds. I believe categorically from the conversations currently going on—and I am very grateful to many people who are contributing to this—that everybody who has contributed has at least in part contributed very positively to the debate; some less than others. Those who want to achieve the reform are prepared to put up with the hyperbole and other nonsense that goes on in order to achieve it. If it were my aim to achieve personal kudos through it, I would say that I have achieved that, but I have no motive as far as publicity is concerned in pursuing it just for that. I am pursuing this because this reform extends the hours that fresh red meat is available to the public.

I will read another letter, which was in the *Advertiser* on 31 October 1983, because a lot of play has been made by those speaking against the Bill on the needs of consumers. The letter, headed 'Meat sales compromise', reads:

The Consumers' Association of South Australia is pleased to see that Mr Ian Gilfillan, M.L.C. (Australian Democrats), seems to have picked up our compromise idea on late meat sales (the *Advertiser*, 27 October 1983). This idea was first floated by me on CASA's behalf at a meeting of pastoral, retail, union, government and consumer interests organised by the Department of Agriculture on 6 July.

CASA still holds its long-standing view that no restrictions at all on retail trading hours are in the interests of consumers, and that retailers ought to be able to serve their customers when they wish to be served. However, we have to recognise the opposition of small butchers, and the well-known position of the Meat Workers' Union that 'we'd be delighted to work on Thursday nights if we can have Saturday mornings off, but we won't work both.'

These objections seemed to us to be met by the proposal that each butcher shop be permitted to trade on its choice of the late trading night or Saturday morning, but not both.

It is my impression that many producers of fresh red meat realise that there is a potential for significant change in this proposal before us now. It has been suggested to me that, if we can extend the time during which this matter is dealt with in this Council, there may be more substantial arguments brought to bear on the Government. I would be delighted if the Government showed itself willing to extend more widely the hours for the trading of fresh red meat.

However, I am afraid that the 'hear hears' that I often miss during the course of my speeches are unwelcome on this occasion. They must be applicable only to the producers, if there is a substantial lift in the hours available for the sale of fresh red meat. I hope that I receive submissions from interested parties during the extra fortnight that has been allowed for debate on this measure. I hope that producers, through the United Farmers and Stockowners, take advantage of that extra time to advise me of their views. I have had several private conversations with producers and members of the United Farmers and Stockowners.

It is important to me that producers support the measure to some extent. The U.F and S. is holding to its official view, that is, a complete lifting of restrictions on the sale of fresh red meat. I look forward to a productive result from this Bill. If we can achieve wider shopping hours for the sale of fresh red meat through this Bill, I will welcome such a change wholeheartedly.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

TRUSTEE ACT AMENDMENT BILL

The Hon. C.J. SUMNER (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Trustee Act, 1936. Read a first time.

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

That this Bill be now read a second time.

This brief Bill is designed to extend the list of approved trustee investments in the principal Act to include a wider range of debt instruments issued or guaranteed by Government, semi-government and local government bodies and the South Australian Gas Company. Under section 5 (1) of the Act, a trustee may at present invest in securities issued or guaranteed by:

(i) the Treasurer or the Government of the State,
(ii) the Treasurer or the Government of the Commonwealth,
(iii) any instrumentality of the Crown in the right of the State or the Commonwealth,
(iv) the South Australian Gas Company,
(v) any municipal or district council, or
(vi) any prescribed authority or body.

Under the provisions of the Act relating to paragraph (vi) above, a regulation was made in June 1983 authorising trustees to invest in securities of interstate statutory authorities which are Government guaranteed. The definition of 'securities' in the Act is relevant only to investments made by trustees in the areas outlined above. It is not an exhaustive one in that it 'includes debentures, bonds, stock, funds and shares'.

In recent years, largely because of a relaxation of previously existing Loan Council rules, many of the bodies listed in section 5 (1) (particularly semi-government authorities) have been employing a more diverse range of fund raising techniques to raise the funds necessary to satisfy their borrowing requirements. This has led to new forms of securities being issued by them, some of which may not or do not fall within the Act's meaning of 'securities' in a legal sense. They are therefore not authorised trustee investments. Perhaps the best example in this regard are the promissory notes commonly issued nowadays by Commonwealth and State semi-government bodies to raise short term finance.

The Government believes the present arrangements to be anomalous for three main reasons. First, by virtue of the current definition of 'securities' in the Act, particular securities issued by Commonwealth, State and local authorities and the South Australian Gas Company are given higher security status than other debt instruments issued by those bodies. There seems to be no logical argument for this, given the soundness of the organisations concerned and the

Government backing that they enjoy, be it explicit or otherwise. Second, the range of secure investment options available to trustees in this area is limited by the definition and, as a consequence, they may be deprived of the ability to maximise investment returns. Third, the size of the net which the relevant borrowing authorities can cast for funds is restricted in some circumstances, and this could lead to increases, all be they marginal, in their borrowing costs.

With this Bill, the Government proposes to ameliorate these problems by broadening the definition of 'securities' to include, with those instruments already listed, promissory notes and documents of any kind evidencing indebtedness. I seek leave to have the explanation of the clauses of the Bill inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 amends section 4 of the principal Act which provides a definition of 'securities' principally for the purposes of section 5 (1) *(a)*. Section 5 (1) *(a)* provides that a trustee may, unless expressly forbidden by the instrument (if any) creating the trust, invest any trust funds in his hands in securities issued or guaranteed by the Treasurer or Government of the State, the Treasurer or Government of the Commonwealth, any instrumentality of the Crown in right of the State or the Commonwealth, the South Australian Gas Company, a municipal or district council, or any authority or body prescribed by regulation. The remaining paragraphs of section 5 (1) list other authorised trustee investments.

'Securities' is presently defined to include debentures, bonds, stock, funds and shares. The clause amends this definition so that it includes, in addition, promissory notes and documents of any kind evidencing indebtedness, thereby effectively expanding the class of authorised trustee investments referred to in section 5 (1) *(a)* to include promissory notes and other debt documents issued or guaranteed by the bodies listed in that provision.

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

MOTOR VEHICLES ACT AMENDMENT BILL (No. 3)

Second reading.

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

That this Bill be now read a second time.

Its principal object is to tighten the controls over the misuse of vehicles that are registered at concession rates. Registration of a motor vehicle at a fee less than the full normal fee, or without fee, is granted to a wide range of owners who meet specified criteria. The use of such a vehicle is restricted and certain conditions governing its use must be observed during the period of registration.

The Act provides that it is an offence if the vehicle is used contrary to the terms of the statement or undertaking which was made in connection with the application for concession registration. Some time ago, however, vehicles registered solely for interstate trade at a fee of $5 were inadvertently excluded from this provision and owners of such vehicles have, in increasing numbers, been unfairly using their vehicles within the State in direct competition with those paying full registration fees. This Bill sets out to bring vehicles registered solely for interstate trade back within the ambit of the penalty section.

The Bill also provides that a court may, upon conviction, order that any registration fees underpaid, or stamp duty evaded, by registering at a concession rate are paid to the Registrar. Furthermore, so that an owner who has, pursuant to a court order, paid the balance of the registration fee cannot then turn around and cancel the registration and obtain a full refund of the fees paid, the Bill provides that amounts paid under a court order are not refundable.

The opportunity has also been taken at this time to increase the penalty, particularly in relation to interstate hauliers, so as to reflect the seriousness of the offence involved. A considerable amount of revenue is being lost through the actions of those vehicle owners who do not pay the correct registration fees according to the actual use of their vehicles and, accordingly, I believe it is necessary to provide appropriate sanctions that will act as a deterrent to those who may breach the conditions under which concessional registration was granted. 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 Act to come into operation by proclamation, thus enabling the provision of a short 'breathing space' for those interstate hauliers who have cartage contracts to fulfil, particularly during this record harvest time. Clause 3 makes it clear that a vehicle registered under section 33 at a concession rate on the basis that the vehicle will only be used for the purposes of interstate trade falls within the ambit of this section. It was previously thought that such a vehicle fell within the meaning of the expression, 'registered at a reduced registration fee' as a fee of only $5 is payable in those circumstances. However, that fee is in fact the full prescribed registration fee for interstate trade vehicles and is therefore technically not a 'reduced' fee as in other cases.

The penalty for an offence of using a vehicle contrary to the statements made or undertakings given at the time being granted a concession registration is increased from $200 to $2 000 in respect of interstate trade vehicles, and to $500 in all other cases.

New subsections (3), (4) and (5) provide the courts with a power to order (in addition to any fine) that a person convicted of misusing a vehicle registered at concession rates must pay to the Registrar the balance of the registration fees and stamp duty that would otherwise have been payable in respect of the period of registration during which the offence was committed. Such fees are not refundable upon subsequent cancellation of registration.

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

FINANCIAL INSTITUTIONS DUTY BILL

Adjourned debate on second reading.

(Continued from 15 November. Page 1748.)

The Hon. K.L. MILNE: This is an important debate. First, I thank the Government and members of the Council for giving me time to conduct more research on this Bill, which is a complicated one, before making my speech. This is a new tax. This Bill is a Money Bill, and as such it is not for the Legislative Council to do other than make suggested amendments. However, the Premier has actually invited this Council to make amendments, and they have already been foreshadowed by the Attorney-General. I have since

had discussions with the Hon. Mr Griffin, who has a number of suggested amendments of his and his colleagues on file, some of which I agree with. I hope that the Government will agree with them also. The amendments from another place were perhaps a triumph for the Leader of the Opposition and, from the experience in Victoria, a natural disaster for the administrators of the scheme. Apparently well over 50 per cent of the cost of administering this tax relates to problems created by charitable and other bodies that are exempt.

I think that this is one of the difficulties of people making suggestions that look all right politically or philosophically when they do not understand the problems that those suggestions create for people trying to do the accounting work to put them into practice. There is considerable evidence to show that it would have been far better, far cheaper, and much easier for there to have been no 'exempt accounts' and for Treasury to make half-yearly refunds of tax paid by churches, charitable bodies and others that should not be required to pay the tax.

One might ask why the Government should have their money for six months interest free. I think that we may find that the costs caused to banks, in particular, which will be handling 85 per cent of the transactions attracting this tax, will be so great that they will have an effect on bank charges, and probably on interest rates. I think that this might prove to be quite expensive for churches, which have many many accounts. However, I hope that this is not so.

Be that as it may, we are faced with the introduction of a new tax, which was announced in the Government's budget for 1983-84 on page 5 of the publication 'Details of the Estimates of Receipts, Recurrent and Capital, of the Government of South Australia for the Year Ending 30 June 1984'. The amount which it was estimated would be received from this duty in the first year (six months) was a total of $8 million. This budget was submitted to the scrutiny of a Committee of the House of Assembly and passed by both Houses, so there is no way that the new tax can now be refused.

We have heard a great deal from the Opposition about the present Government's promises at election time and that it has broken those promises. The Government has, indeed, broken its promises not to increase taxes, and the part that makes me sad is that this inexcusable behaviour adds to the general attitude adopted by the public that politicians and political Parties are inherently dishonest and that no trust or faith can be put in their promises at election time.

Unfortunately, this is a very bad case of broken promises, but we have to remember the circumstances which have brought the present situation about. The deficit of the Tonkin Government on current account at 30 June 1982 was $6 million. The deficit of the Tonkin/Bannon Governments as at 30 June 1983 was $109 million. This was the biggest deficit by far that South Australia had ever experienced, and the responsibility must be shared by both the Liberal and Labor Parties—particularly, in my view, the Liberal Party. Mr Tonkin promised to reduce taxes and did so, but he failed, or forgot, to reduce expenses. The mistake was recognised before the State election and, when the new Labor Government came into office, a report from the Under Treasurer revealed what was going on, but it was some time before the new Government knew to what extent it had, and what time it had, to take remedial action. Let us remember what happened. The Labor Government, when it knew things were going wrong, called for a report in December 1982. Things continued to go wrong and got worse, so it called for another report in May 1983.

The Hon. R.I. Lucas: They were not game to call for another. They were getting worried.

The Hon. K.L. MILNE: Just wait a minute. Before the December report the deficit was $42 million. I do not know whether members have noted these figures, but from then on, with momentum already existing, the Labor Party could not stop matters at once, and the deficit for the latter part of that year was $67 million, or a total of $109 million for the year, the biggest deficit South Australia has ever had.

What they did was transfer $52 million from Capital Account, which should have been used for public works and creating jobs, and offset it against the $109 million, leaving a net deficit of $57 million. The new Labor Government later brought in its own budget aiming at another deficit of $63 million. In other words, there was very little attempt to cut costs, but they were prepared to reduce the State's reserves still further. In fairness, I suppose, it should be said that it would be very difficult to turn a deficit of $109 million into a surplus in one year. That would probably do a great deal of damage.

However, this means that, at this stage, we have an accumulated deficit of $96 million. For various reasons, which I shall explain later, the estimated income for this Budget will still, in all probability, fall short by at least $4 million. If that happens, we will have an accumulated deficit of approximately $100 million. I understand that the Government intends to transfer $28 million from Capital Account to again offset part of the deficit, which would, in theory, then only be $5 million. However, this will mean that we will not have carried out capital works worth $80 million in the past two years but we will have used money predominantly in salary increases in the public sector, one-half, or even two-thirds, of which will go straight back to Canberra by way of personal income tax deductions and will not even be used in this State.

I want to get that point across. A misuse of capital funds not only changes the funds from one category to another but also has the effect of deducting up to two-thirds of those amounts in the high salary area in income tax, and that is a thorough waste. This is completely mad, of course, when one thinks about it, and in many States of the United States that sort of thing is declared illegal. It is certainly immoral, and I can just imagine how the unemployed people must feel about it.

The stark fact remains that, between the Liberal and Labor Governments, $100 million will have been spent by June 1984 from the State's precious cash reserves of only $150 million. I think that I should point out, in case honourable members have forgotten, that, while Federal Governments can work on deficits, State Governments cannot do so. If a State uses up its reserves and continues to budget for deficits, it must either be propped up by the central Government, borrow from outside the central banking system, or go broke.

It is quite obvious, from the attitude of the general public towards the increased taxes which the Labor Government has now imposed on us all, that the Government, in my view, has made an error of judgment. The budgeted expenses for this current year did not really show any signs that the Government was determined to cut its costs. It is still working on two erroneous principles—principles which are quite wrong and which have been proved wrong in the past. First, the Government continues to budget for a deficit and to mindlessly and obstinately keep to the notion that, if there happens to be a deficit, one simply taxes the private sector more heavily to make it up.

The Hon. L.H. Davis: Do you think they should be allowed to tax the private sector at any rate they think fit?

The Hon. K.L. MILNE: I think people who live in glass houses should not throw stones.

The Hon. L.H. Davis: We didn't—

The Hon. K.L. MILNE: The Liberal Party is just as responsible as is anyone else for the taxes that are being raised, and I am not lily white. We were not in a position of responsibility.

The Hon. R.I. Lucas: You are now.

The Hon. K.L. MILNE: Yes. It is easy to criticise; I know that. We are not in Government or Opposition, but I want to clarify the situation once and for all. Let us face it and fix it together. The Government now knows, as we all know, that South Australia has had a bad time in the recession, that the private sector has been shrinking while the public sector has been expanding, and that it is no longer possible for the private sector to finance the Government's socialist expansion programme.

If I had not been a party to approving this duty in the Budget, I would have been sorely tempted to reject the Bill in its entirety, forcing the Government to reduce its expenses or be shown to be utterly irresponsible. As it is, both the Hon. Mr Gilfillan and I will need a great deal of persuasion before we will support any further contribution from the private sector, unless and until there is a contribution and a sacrifice of some sort from the public sector.

Looking back, it is quite obvious to me that, when the Government realised how bad the situation was, it should have consulted the Public Service and the teachers (to name only two areas) at once to negotiate an agreement, which I am quite certain could have been, and still can be, reached, for a reduction, especially of the salaries of most senior public servants and judges, which were recently increased by 7 per cent. I remind honourable members that a 1 per cent reduction in Public Service salaries amounts to a saving of about $14 million and, allowing for hardship cases, it would save at least $10 million. When on-costs, such as workers compensation, holiday pay, 17½ per cent holiday loading, and other items are added, the saving would be much greater—probably $11 million or $12 million. So, a reduction in Public Service salaries of 3 per cent would get rid of the deficit of $33 million, which will be left even after this Bill is passed, but it would not cost the members of the Public Service 3 per cent after allowing for income tax savings. For most, it would mean a reduction of only 2 per cent and for those on salaries over $35 000 (I think the figure is) it would mean a reduction of only 1 per cent because it would come off the top. Incidentally, those to whom I have spoken have readily agreed that they could easily afford it, and I gained the impression that they would be only too pleased to contribute to the Government's and the State's dilemma.

When we are talking of Public Service salaries, including those of politicians, people keep on comparing our salaries, wages and allowances with interstate levels. This leads me to believe that many of the salary increases, in particular in the Public Service, are merely status symbols and are not in any way equitable. As I have said, it simply means that two-thirds of those high salaries go straight back to Canberra for the benefit of the tall poppies and their being able to say how much they earn.

The Hon. C.J. Sumner: Shouldn't there be some parity between them?

The Hon. K.L. MILNE: Not in the slightest. South Australia is a small State surrounded by desert.

The Hon. C.J. Sumner: I am talking about getting people into jobs in the public sector.

The Hon. K.L. MILNE: We would have no problem. People would love to live in South Australia.

The Hon. C.J. Sumner: There is a problem, I assure you.

The PRESIDENT: Order! Honourable members must not interject.

The Hon. K.L. MILNE: I really believe that that action was a great mistake, as I have stated publicly: we have set out deliberately to bring our salary and wage levels to the same as those interstate, and ever since then South Australia has begun to suffer.

I regret that the Government is pushing this legislation through in such a hurry, just because it will bring in something less than $2 million per month. No organisation has approached me to say that it cannot get ready in time, but, on making inquiries of the Credit Union Association of South Australia, I am quite certain that its members will not be ready in time, particularly those who are using manual accounting systems and not computers. I am reasonably certain that credit unions on computers will not be ready either, and one must remember that their systems could not be set up until they know exactly what the clauses of the Bill finally are, and that will not be known until Thursday 17 November, leaving nine working days in which to install computer programmes before the Act will come into operation.

I realise that the Government has said that it will allow them to act on estimates for the first two months. I understand from the organisations concerned that they will have no trouble in recording the deposits and payments into the bank account on which they will be required to pay duty. What they will have difficulty with is the system of distributing that. One cannot distribute those amounts on estimates, which means that the duty will accumulate for two or three months but, whether that will be a great problem or not, I am unable to say. It is unfortunate that it is done in that way.

The Hon. Diana Laidlaw: It would not be such a problem if the starting date was deferred.

The Hon. K.L. MILNE: I am not sure that two months would be such a great help.

The Hon. Diana Laidlaw: It would allow them time which they need to set up programmes.

The Hon. K.L. MILNE: I am not sure that they would be ready even then, certainly the manual people.

The Hon. R.C. DeGaris: About $2 million would be involved.

The Hon. K.L. MILNE: I think it would be about $4 million to $6 million. I do not think that, taken in the long term, is really significant. In his second reading explanation, the Attorney-General has pointed out that the Government is prepared to allow the financial institutions which are not ready to make estimates for the first three months. How on earth are they going to make estimates on what taxes they are due for and how are they to distribute an estimated amount to their clients and depositors? Anyone who knows accounting knows that that cannot be done. I am told by Westpac that they have at least three senior people in Sydney and one in Melbourne answering questions full time which arise from the misunderstanding of members of the public as to how the Bill affects them. Hours and hours are spent in the early months of the introduction of a Bill of this kind explaining to people how it works and what it does to them. This is the third tax that banks are required to collect on behalf of Governments. Firstly, there is the stamp duties tax on cheques, which causes a great deal of expense in the printing, storage and selling of cheque books. If stamp duty were removed, the books would simply be given away. Secondly, there is the Commonwealth bank debits tax on the volume of money passing through one's bank statement each month. Thirdly, there is to be this financial institutions duty on money deposited in financial institutions.

Each of these taxes has to be calculated and handled in a different way, and means that the banks are carrying out a very costly service on behalf of the Government for which they are not repaid and which the general public, who are their customers, eventually have to pay for in bank charges or in the cost of money borrowed. I often think that the

Government forgets just what an imposition State and Federal taxes are upon the private sector, particularly the big employers and the manufacturing sector.

The Hon. R.C. DeGaris: For most Government departments banks are the paymaster.

The Hon. K.L. MILNE: Yes, but they get paid for that. Incidentally, about 85 per cent of this new financial institutions duty will be collected by the banks. It has been suggested by one bank and by several individuals that, if the Government introduces this tax, it should do three things. First, it should reduce the rate of duty from 4c a $100 to 3c a $100. This would mean a reduction in receipts of $5 500 000 a year, or a quarter of the $22 million which the Government intends to collect. Secondly, it should remove stamp duty on cheques, which would mean a reduction in receipts of $6 million in South Australia. Victoria has removed stamp duty on cheques, and it is my guess that it will be putting up the f.i.d. rate to at least .04 per cent in the near future, because I do not think Victoria did its homework before it took office on the stamp duty tax. As the Council has already been told, the Government has reduced stamp duty, or announced that it will reduce stamp duty, by $8 million. All this adds up to $19.5 million and, as the Government expects to collect only $22 million, it will leave the Government about $2 million short. That would be foolish. The Government could not agree to that. It would not be worth collecting.

I believe that those who recommend these reductions have not done their homework properly, unless they did their homework and believed that it would be a good idea if no more tax were collected. In the definition of 'receipt', the Bill includes 'the crediting of an account'. In other words, it is intended that transfers of money from one account to another in a financial institution shall be taxed. I can understand that, if money is deposited and subsequently distributed among a number of other customers' accounts in the institution, that this should be taxable. However, I feel it is quite unfair that, if a person deposits a sum of money, say, into his current account at his bank and wishes it distributed to other special purpose accounts in his name, he should be taxed on those transfers when it is the same amount of his own money. I think that this is taxing the depositor twice.

The Hon. R.I. Lucas: How much will that cost?

The Hon. K.L. MILNE: Not much.

The Hon. R.I. Lucas: Did Treasury give you an estimate?

The Hon. K.L. MILNE: No. I do not know how much is involved, but it is immoral and should be stopped. I will support an amendment in Committee. My reason is that I am certain that the Government did not intend that to happen. Likewise, I can understand that, if a depositor has deposited a sum of money for a fixed term of, say, two years, and at the end of this time either withdraws the amount and banks it somewhere else or leaves it in the financial institution as another investment at a different rate of interest, this should attract duty. However, I do not agree that an investor who leaves his investment with the financial institution on call after the fixed term has expired should be taxed. Although this may not be very costly in actual fact, psychologically it is considered reprehensible and would have a big influence in discouraging investment which, whether one likes it or not, this country badly needs.

The Hon. Martin Cameron referred to a very large company in South Australia operating a short-term money market as a central office for the whole of Australia, and indicated that it was seriously considering moving from South Australia if this Bill passes with the duty rate of .04 per cent. If it is, in fact, a short-term money market operation, I think that we should emphasise that the rules applying to the short-term investments are exactly the same in Victoria and New South Wales and in this Bill. Therefore, moving to another State would not really help very much if at all.

The Hon. L.H. Davis: What about Queensland? I indicated that one major cash management trust in South Australia was considering moving to Queensland because there are no such taxes in Queensland.

The Hon. K.L. MILNE: If that is what they have to do to get people to Queensland, good luck to them. I think they will find the difficulties of transport and other matters will offset any benefit that they might get.

Members interjecting:

The PRESIDENT: Order!

The Hon. K.L. MILNE: I referred earlier to the fact that the Government might collect much less from this duty than they had anticipated, namely, $4 million for the half year. This arises in two amounts. First, it intends to collect $22 million for a full year, but has already removed $8 million worth of stamp duty, so net collections will be $14 million, not $16 million for a full year, and will be $7 million, not $8 million, for the half year—even if the scheme starts on 1 December, because the first payments would not be received until 1 January 1984.

The Hon. R.C. DeGaris: That is if the figure of $22 million is right.

The Hon. K.L. MILNE: If it is wrong, the $7 million or $8 million will go up or down, depending on how wrong it is. Secondly, a $3 million reduction, that people are suggesting would occur—and which I thought might occur—if the duty was reduced from .04 per cent to .03 per cent. In case honourable members are concerned that the exemption of churches and charitable institutions will affect the Budget, I can set their minds at rest. I have it on very good authority that the calculations in this Bill were made ignoring the churches and charitable bodies altogether; so, therefore, their exemption will make no difference to the estimated amount to be collected.

Now we come to the vexed question of whether this duty should be at the rate of .04c in the dollar or .03c in the dollar. Victoria and New South Wales are levying .03c in the dollar, and Western Australia has announced that it will introduce the scheme at .05c in the dollar. Perhaps I should set out exactly what .04 per cent or .04c in the dollar really means, because many people are confused as to the size of this duty. I ask honourable members to bear with me while I read this table because only some have a copy of it. I will read what it means for Victoria and for South Australia, and the difference. I seek leave to have it incorporated in *Hansard* without my reading it.

Leave granted.

FINANCIAL INSTITUTIONS DUTY

	Victoria	S.A.	Difference	W.A.
$10	.3c	.4c	.1c	.5c
$100	3c	4c	1c	5c
$1 000	30c	40c	10c	50c
$10 000	$3	$4	$1	$5

For limited companies, the f.i.d. is tax deductible; so the net effect is about half of the above.

The Hon. K.L. MILNE: In other words, this tax will be $1 different in South Australia on the depositing of $10 000. For people with pension cheques, for example, the duty levied will be 1c, 2c or 3c—something very minimal—maybe up to 6c, but phones have been ringing all day, and people on pensions have been thinking that they will have to pay $6 (but it is 6c) because they got the decimal point in the wrong place. The maximum duty payable on any one deposit is $400; I only wish that many more of us had reason to make use of it. I would like to stress that point while we are saying that South Australia is paying a very small amount more than Victoria is. For limited companies

the financial institutions duty is tax deductible; so the net result to companies is that the expense is only half of the amount listed in the table. In other words, it is only 50c in $10 000 instead of $1 in $10 000.

Now, whether this is worth worrying about on the grounds of South Australia's not being competitive is open to doubt. I am inclined to think that it is not a penalty which would influence people who are likely to deposit large sums of money, or even small sums of money. People have referred to the fact that our duty will be 33⅓ per cent higher than that levied in the Eastern States, but this gives a very distorted view of the real situation, as I hope that my table will explain when members read it in *Hansard*.

I believe that both New South Wales and Victoria will raise their duty to .04 per cent at least before long, as they are both disappointed in the result of .03 per cent collections. For a company, of course, the variation is even less than I have explained because the duty is a tax deduction, and thus nearly 50 per cent of the difference is recovered. For example, a company depositing $2.4 million a year would pay $720 in Victoria and $960 in South Australia. The difference would be $240, which, after income tax, would be about $120, which is 5c in $1 000. Of course, the Victorians have done away with stamp duty on cheques: therefore that same company would pay an extra 10c a $1 000, making approximately 15c (in South Australia), but that is not an argument which relates to the South Australian problem because stamp duty on cheques is not at issue.

From this, I believe that the issue of whether the duty is .04 per cent or .03 per cent has been greatly exaggerated (probably for political reasons, I am sorry to say), especially as I believe that it will not be this particular duty which causes the trouble. One of the greatest problems that South Australia is facing, as the Hon. Legh Davis pointed out so clearly and the Hon. Diana Laidlaw kindly gave me credit for introducing, is the fact that we have blindly and determinedly moved our wages and salaries to virtually the same levels as New South Wales and Victoria. This has eroded the cost advantage which manufacturers enjoyed in South Australia and is the greatest single reason why the private sector in South Australia is going backwards—and rapidly, at that. Another tragedy for the business world is the enormous increase in workers' compensation premiums—to such an extent, I again regret to say, that the whole system is liable to collapse.

A third reason for South Australia's discomfort is that, while the trade unions affiliated with the Trades and Labour Council, and whose future is the same as the private sector whether they like it or not (there are no trade unions as we know them in Communist countries), have been carrying on their war with the employers, the unions in the public sector have gone from strength to strength, and it is unquestionably the extravagance of the public sector, both State and Federal, which is the major cause of inflation and unemployment in the private sector. On top of all this, there have been increases in electricity, telephone, postage (3c a letter, which is a rise of 10 per cent), council rates, water rates, and many other charges and expenses. I think it is because this financial institutions duty has come at the end of the line, as it were, and is being treated as if it is the last straw to break the camel's back, that it has caused so much emotion in the debate.

I trust that when this is over and when the Bill passes in some form or other, the Government will have the courage to take the necessary action to reduce the expenses in the public sector. There is $67 million set aside in the Budget as a reserve against increases in wages and salaries in the public sector. If the Government wishes to re-establish its credibility, which is so sadly damaged over the recent State tax increases, which should never have happened, then it should seek the co-operation of the public sector unions in holding down wages and salaries to allow the $67 million and the $28 million already allocated to public works to be spent on projects to the benefit of the State and the unemployed members of it.

To spend that $67 million in reserve in this State on public works would provide added incentive in the form of flow-on expenditure, which would probably be of benefit to the order of about $100 million. To spend that $67 million on high salaries, knowing that at least $40 million of it will go straight to Canberra, would be thoroughly dishonourable and unforgivable. This Government has one more chance after this to prevent its name from going down in State political history as a Government that did not face reality. I, for one, will support it wholeheartedly if it has the courage to face what must be faced. I support the second reading.

The Hon. C.J. SUMNER (Attorney-General): I do not wish to delay the passage of this measure unduly, as I expect that there will be a considerable amount of discussion during the Committee stage. However, I think it behoves me to make some preliminary remarks about the general issues involved in the measure. In some ways I regret having to do that because I would have thought that all members of the Council, including the Hon. Mr Milne, would have been aware of the general budgetary situation and the difficulties that the Government finds itself in—in large part not as a result of any conscious decision of the Government.

The Hon. L.H. Davis: You have to look after your own expenditure as well.

The Hon. C.J. SUMNER: The honourable member's proposal includes cutting public sector salaries. In fact, public salaries were held during the period of the wages pause. The previous Government did not grasp the nettle by cutting back public sector salaries. Honourable members opposite seem to think that the Government has a compulsive desire to raise taxes and charges. I assure the Council that nothing could be further from the truth. The Government has no enthusiasm for raising any tax or charge. The fact is that the State's financial situation is such that there is no alternative. I would have thought that that fact would be fairly clear from the Budget debate and the Budget that was presented to the Council earlier this year.

I suppose in light of the criticism of honourable members opposite it may be worth posing one or two questions to the Opposition. First, would the Opposition in Government repeal the legislation? I cannot obtain an answer to that question from any member opposite. From what the Hon. Mr DeGaris has said I would have thought that that is a most unlikely course of action.

The Hon. K.T. Griffin: We certainly wouldn't have introduced it.

The Hon. C.J. SUMNER: The Hon. Mr DeGaris' view is that the Opposition would have introduced it.

The Hon. K.T. Griffin: He's wrong. We said before the election clearly and unequivocally that we would not introduce it. We honoured our commitments at the 1979 election.

The Hon. C.J. SUMNER: The problem with the Hon. Mr Griffin's argument is that the Liberal Government did not honour any of its commitments given during the 1979 election campaign, except, as everyone knows, by a fiddle. I do not know whether or not the Hon. Mr Griffin read the Budget papers. He should know the situation in relation to the deficit. The Hon. Mr Griffin knows that his Government created a deficit by abolishing taxes and then making it up by using capital funds. That argument is irrefutable. I am surprised that the Hon. Mr Griffin continues to parrot away about how his Government honoured its promises. The

Liberal Government honoured certain promises and left the State Budget in an absolutely disastrous situation.

Governments no longer enjoy the halcyon days of the 1970s when there was expanding revenue and, in that sense, Government was comparatively easy. Because of the expanding revenue base, it was then possible to offer greater benefits and services to the community. However, there is now incredible pressure on Government resources. Since the war I suppose that there has been an increase in expectations in South Australia. Although those expectations have abated to some extent, they have not abated to the extent that those remaining can be met by the much more limited resources of Governments. In fact, to some extent with the declining economy and the problems with social welfare and unemployment, rather than there being less pressure on Government resources there is more pressure.

A certain level of Government expenditure is necessary for civilised living. If decisions need to be taken to address particular problems, be it in the area of the disabled, aged care or other increasing pressures on Government, there has to be a certain level of Government budgetary soundness. That had not existed in this State prior to the 1983-84 Budget. Honourable members will know from previous discussions, including those on the 1983-84 Budget, that there was a serious deterioration in the State's finances in 1982-83. This was becoming apparent when the Labor Government came to office, and it was accentuated by a series of natural disasters including drought, bush fires and flood which no-one could have foreseen.

The 1982-83 Budget brought down by the previous Government forecast a balance for the year's operations on the Consolidated Account. The balance was to be achieved by running a deficit of $42 million on the recurrent side of the Budget and by holding back capital funds of $42 million to finance it. The record shows that the final deficit on recurrent operation was $109 million, that $52 million on capital funds was held back and, accordingly, the year's deficit on the Consolidated Account amounted to $75 million.

The accumulated deficit at the beginning of 1982-83 was $6 million so that by 30 June 1983 the accumulated deficit on Consolidated Account had increased to $63 million. The effect of that large deficit was to reduce the level of the State's cash investments as well as it having a serious problem at this run down in cash. The Government faced a continuing adverse effect on the recurrent side of the Budget. There was a decline in the interest earnings below what they would otherwise have been. The estimate of this adverse effect in 1983-84 was a loss of interest earnings of $7 million. That was certainly a fact which the Hon. Mr Lucas, I imagine, did not take into account when he was arguing during the Budget estimates debates that one can run down one's cash reserves. The argument is that the further one runs them down, apart from the fact that one is getting to a dangerously low level, one also loses revenue because one has not invested the cash directly.

The Hon. R.I. Lucas: It is $7 million. Are you suggesting that I did not know that.

The Hon. C.J. SUMNER: Yes.

The Hon. R.I. Lucas: But I just told you what the figure was.

The Hon. C.J. SUMNER: I am not surprised you knew it as I just told you what it was. It seems to be a new practice in this Council to listen to information, give it back and then claim to have known it after you have heard it. Page 11 of the present Budget speech sets out a table showing how the increased deficit came about in 1982-83. It can be seen that the vast majority of that increase was due to factors beyond the control of the new Government.

The Hon. R.I. Lucas: Or the old one.

The Hon. C.J. SUMNER: In the sense of natural disasters, they certainly were not within the control of the old Government, but there were certain things within its control. As I have said before (and there is not much point in repeating this as the honourable member does not seem to want to understand it), there were certain conscious decisions the previous Government took which provided a deficit situation on Current Account to an unprecedented extent in this State. The vast majority of the increase, as I have said, was due to factors beyond the control of the new Government. They included natural disasters, salaries and wages increases, remission of levies to the Gas Company and the provision towards the cost of school fires. The table shows that the net overspending by agencies (and on Miscellaneous lines) was about $23 million. Of this, about $10.5 million arose from increased grants to the Health Commission to cover shortfalls in receipts by the Health Commission. Of that $23 million, $20.5 million was within the Health Commission. An amount of $4.8 million went in special grants to hospitals early in the term of this Government and $5.2 million in excess cost increases in the Health Commission hospitals section, particularly for food, drugs and the like against items that could not be forseen or controlled to any greater extent than they were by the Government.

Therefore, apart from the Health Commission's $20.5 million overrun, the other so-called overrun was $2.8 million. In terms of the amount that can be laid at the door of this Government so far as expenditure not contemplated is concerned as at 6 November 1982 there was the $4.8 million to the hospitals which I have already mentioned and which the previous Government, in all probability, would have been forced to pay; the cost of election promises, some of which were matched, in any event, by the Liberal Party, such as electricity concessions; there were certainly some increases in funding to enable the retention of some positions, but overall it is just nonsensical for members opposite to claim that there has been any financial mismanagement and a vast blow out in the Budget as a result of actions taken by this Government. That is just simply not true. Every member who speaks on the Opposition side asserts that that deficit situation has been created by financial mismanagement and overspending by this Government. All I can say to this Council is that that is absolute nonsense.

The Hon. R.I. Lucas: Get back to the issues.

The Hon. C.J. SUMNER: These were issues raised by honourable members opposite. If they look at page 11, attachment 1, in the Budget they will see where the overruns occurred. All one can say is that the amount that can be attributed to this Government's actions would be between $7 million and $10 million at the most and that was in implementing some election promises.

The Hon. R.I. Lucas: Rubbish. You have just gone through $5 million to the Health Commission, $2.5 million overspending in the Education Department, election promises—

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The honourable member can contest the figures, but what I said was that the $4.8 million to the Hospitals Department was funding that would have had to be made by the previous Government.

The Hon. R.J. Ritson: That was supposed to be an expansion until they found out about the computer error.

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The figures appear on page 11. I can give some additional information to the honourable member. The cost of election promises is shown as $8.9 million. In that amount was election promises matched, in any event, by the Liberal Party, so it is just nonsensical that the deficit was caused by this Government's mismanagement or overspending. There were some additional commitments

made, but certainly nothing like the extent of the deficit, which we largely inherited. This is the background of the new Government's first Budget. It is seen as a run down in cash resources of the order of $57 million in one year. It could see the adverse effects of holding back large amounts of capital funds towards financing deficits on the recurrent side of the Budget. The Treasurer said, when introducing the 1983-84 Budget, that it would be totally irresponsible for any Government to allow the State to continue to run recurrent deficits of the order of $109 million.

The present Government cannot be held responsible for financial imbalance which was developing previously and which became so obvious in 1982-83, but it faced up to the fact it had to take the action necessary to correct it. One of the Government's first actions on coming to office was to instruct departments to live within their Budget allocations and to take every reasonable step to effect savings. This was having some effect by the end of last year. This year, 1983-84, departments are continuing to operate under very firm financial constraints. Their expenditures are being monitored monthly and firm, action is being taken to prevent any overruns. However, to achieve an acceptable Budget target for 1983-84, it was essential to do something on the revenue side of the Budget. Control of expenditure is helping but it is not enough. To bring the deficit on the recurrent side back to a manageable figure and to reduce the call on capital funds for financing recurrent deficits required something more. Accordingly, we announced a package of revenue measures which included financial institutions duty. The 1983-84 Budget as presented to Parliament forecasts a recurrent deficit of about $33 million. We are planning to hold back about $28 million of capital funds and thus are looking at the prospects of an overall deficit of about $5 million on the Consolidated Account.

That is in contrast to $37 million of capital funds transferred to meet recurrent expenses in 1980-81, $61 million transferred in 1981-82 and, as I said, about $52 million transferred in 1982-83.

Our effort to get that figure down to $28 million in 1983-84 is a very worthwhile step. The Budget took into account a net contribution of $8 million in 1983-84 (and envisaged a net $16 million in a full year) from a package which would consider the extent of exemptions, the rate of financial institutions duty and the choice of stamp duties to be removed. The proposals now before the Council are expected to bring in only $14 million net in a full year and about $7 million in 1983-84, so that there will be a small shortfall below the Budget expectation.

It is important to keep in mind that the financial institutions duty is an important element of the 1983-84 Budget package. No tax is ideal. All taxes will be criticised, even considered unacceptable, by some sections of the community. Nevertheless, we were persuaded that to introduce a financial institutions duty was far preferable to following some other courses of action open to us. For example, we did not believe it appropriate to introduce a special pay-roll tax surcharge on large pay-rolls as has been done in New South Wales and Victoria.

I have noted that members opposite have commented at some length on the damage to local companies' interstate competitiveness that will be caused by the 1 cent per $100 higher f.i.d. rate here than in New South Wales and Victoria. No mention was made by those members of the more than offsetting competitive advantage faced by South Australian companies relative to New South Wales and Victoria in regard to pay-roll taxes. The Government believes that f.i.d. is preferable to the stamp duties it is replacing or other alternative revenue-raising measures available to the State Government, and I refer to the comments made in the Campbell Report on issues relating to the stamp duties on financial instruments and transactions.

It is worth reiterating what the Campbell committee had to say. It considered that a general f.i.d. of this kind would be more equitable and more efficient than the current system of stamp duties. So, on the whole, given the difficulties that the Government faced in regard to the State Budget, given that it had a limited number of options open to it, it took this action.

I should say that one of the advantages of f.i.d. is that it ought to provide some capacity for growth in revenue in line with inflation. There were complaints for many years that the States did not have a growth tax. The States were given a growth tax in 1971, when the McMahon Government gave the States pay-roll tax, but in the economic climate it turned out not to be a successful growth tax. One can only say that that has been a continual lament of the States and, as I said this morning, there are now moves to ascertain whether the States can impose excise duties under the Constitution to overcome the problems of more complex arrangements relating to franchise fees. Unfortunately, the State has a very limited capacity to tax and very limited options in relation to taxation, so if we are faced with a shortfall in the Budget—

The Hon. R.C. DeGaris: You have income tax.

The Hon. C.J. SUMNER: That depends on whether the Federal Government will permit a surcharge on income tax to be levied, and there is some doubt as to whether that is the case.

The Hon. R.I. Lucas: Did you have discussions on that?

The Hon. C.J. SUMNER: There were discussions on all aspects.

The Hon. R.I. Lucas: So you have considered income tax?

The Hon. C.J. SUMNER: Well, the honourable member knows, from a paper that was tabled in this Council some months ago, that a number of options in regard to revenue-raising measures were outlined. I am surprised that he has forgotten.

The Hon. Anne Levy: Perhaps he was not listening then, either.

The Hon. C.J. SUMNER: The honourable member seems to have a very selective listening apparatus.

The Hon. R.I. Lucas: You are saying that the Federal Government will not allow you—

The Hon. C.J. SUMNER: I am not saying anything: I am saying there are problems.

The Hon. R.I. Lucas interjecting:

The PRESIDENT: Order! The Hon. Mr Lucas should not continue with his questions. I am sure that he will be able to do the same in Committee.

The Hon. C.J. SUMNER: Given those constraints, it was decided that the Government should embark on this option. It certainly was not done with any great enthusiasm, but it was inevitable in the light of the current difficulties that we face that something had to be done. I want to refute one other statement that again relates to the continual allegation of overspending in the public sector and the increase in public sector employment. I cited some figures in the Budget debate, but members opposite seem to neglect figures when dealing with this topic.

The Bureau of Statistics shows an increase in the number of people employed in the State public sector between June 1982 and June 1983 of 1 600 people, while the Public Service Board count shows an increase of about 2 400 over the same period. However, these growth rates do not take account of the significant increase in part-time employment, particularly in the health and education sectors. Those figures refer to total public sector employment, including statutory authorities, over which the Government has no control,

such as S.G.I.C., the State Bank, the Savings Bank, and so on. Those figures do not take into account whether employees are full-time or part-time, and that is a mistake that members opposite are making.

The Public Service Board also counts employment on a full-time equivalent basis. This is the basis upon which the Government believes such comparisons of employment should be made. On that basis, employment increased by 870 (or 1 per cent) to 90 314 full-time equivalents over the 12 months to June 1983. About 360 of that increase was in the departmental area and 510 in the statutory authorities area. So, in the area directly under the control of the Government, there was an increase of 360 full-time equivalents. I did not give that precise figure in the Budget debate but I indicated that the figure was less than 400 full-time equivalents during 1982-83.

Of those, the salvage operations for the Woods and Forests Department have been responsible for employment growth in that department of 164 full-time equivalents between June 1982 and June 1983. The Education Department has increased full-time equivalent employment by 181 persons over the year. So, taking into account Woods and Forests Department and Education Department increases and recognising that in terms of Government department employment the figure is 360, one can see that, apart from those two areas, there has been little growth in public sector employment. Government policy, which has been outlined previously, is to maintain public sector employment across the board at the levels of 1 June 1982.

The Hon. K.T. Griffin: There was a promise—

The Hon. C.J. SUMNER: A commitment was made at the last election—

Members interjecting:

The Hon. C.J. SUMNER: It was accepted and I accepted it earlier that there was a commitment made—

The Hon. M.B. Cameron: Many commitments were made, and that is about the only one you kept.

The Hon. C.J. SUMNER: What about the rebate on electricity charges for pensioners?

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: Honourable members opposite seem to think that the Government has some control over electricity charges, too. Let us consider their appalling record over the three years of their Government, during which time electricity charges were increased substantially. Honourable members know why that has occurred. A number of speakers raised matters and doubtless they will be pursued in Committee, but I will refer to just three of them.

The Hon. Mr DeGaris queried the need for clause 77 of the Bill, which deals with depositors duty. The Government has no power to require the Commonwealth Bank to register and pay duty. It must, therefore, provide an incentive for the bank voluntarily to bring itself under the Act, as is possible under clause 62. The method used in the Eastern States and adopted in this Bill is to impose an obligation on the customers of the Commonwealth Bank, so that the bank must either pay duty on their behalf or risk losing customers.

The Hon. Mr Lucas raised the question of the extra-territorial provision contained in paragraph 5 (1) *(b)*. This is designed not with the intent of requiring the Commissioner to chase transactions which occur outside South Australia but rather to establish quite clearly his jurisdiction where an attempt is being made by a taxpayer to argue that a South Australian receipt is taking place in another jurisdiction.

The Hon. Miss Laidlaw sought advice on the legal position with respect to an employee who seeks to be paid in cash. I am advised that the position will vary according to the provisions of the award under which the employee works. I regret that I can be no more specific. Unfortunately some revenue raising measure has been necessary. We believe that this is a more equitable option than any other that was available to the Government. Certainly, it has some progressive aspects to it. It should not have the same problems as pay-roll tax. Also, it is a tax which has the capacity to be a growth tax in the sense that the States have talked about for many years. On that basis I know that honourable members opposite are not opposing the second reading. I know that they have made absolutely no statement about what they would do if they were in Government with this duty, and I look forward to a sensible and constructive contribution from them in Committee.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—'Commencement.'

The Hon. K.T. GRIFFIN: I move the following suggested amendment:

Page 1, lines 14 and 15—Leave out 'first day of December, 1983' and insert 'first day of February, 1984'.

The first day of December 1983 is the operative date of this legislation and it is much too early in the history of this legislation. In another place the Premier said that drafts of the Bill had been given to selected institutions in August. He also said that there had been consequent consultations with those institutions. In fact, there had been a letter from the Under Treasurer to institutions back in April this year. What he did not say was that in April this year the letter was not a letter in support of a new f.i.d. tax but merely a letter inquiring from institutions about certain matters and requesting information. In fact, the whole of the Premier's public stance during the early part of this year was that he was not in favour of f.i.d. I have already referred to his statement of 8 March when he said:

I am not attracted to a financial institutions tax. We must find a means of raising money which will have the least economic impact on the State.

Again, on 15 April he stated:

I am not attracted to that—

referring to the f.i.d.—

in terms of our State economy the yield of such a tax would probably not justify the problems in instituting it and in any case evidence suggests that there may be some benefit for us, certainly in the short term, not to have such a duty.

In August this year there was a Bill drafted but it was not given to financial institutions in August but in September, and that is by the Premier's own admission. That draft was dated 29 August this year and was handed to institutions at a meeting in September. As I indicated previously, it was not given to all institutions or all those who might be affected by the Bill—it was merely to a selected group of institutions and predominantly those who would collect the tax and do the Government's work for it, and not those who would be ultimately paying the tax.

That meeting was a confidential meeting in the sense that all those who were present were requested to keep the draft Bill confidential. So, they were not able to show it to anyone other than their direct legal advisers, accounting advisers or other advisers, and it was not available to many people who sought copies of it. I know from information that has come to me that there were a number of bodies that sought access to the Bill. One or two of them finally got it, but it was some time after the date of the September meeting. Some of them were refused a copy. No-one got access to the Bill as it was finally proposed until 27 October, when it was introduced in this Parliament.

The Opposition were the ones who had to get copies of the Bill on 27 October and circulate them to institutions.

That is the first that they knew of the Government's final decision. It was correct that at the meeting in September some initial reactions were given by institutions and, subsequent to that, they gave a whole range of comments to the Government on the consequences of the Bill. They ranged from outright opposition to a reluctant acceptance of it if the Government was inclined to proceed with it, and to provide information about the way in which it would affect them and prejudice their operations, and it included their suggestions for amendment.

None of them had access to the final Bill or were aware of what might be included in it. As I understand it, they were told that it was likely to be something along the lines of the legislation in Victoria and New South Wales, but we find that this Bill as introduced has a number of significant changes from the legislation in New South Wales and Victoria.

The Hon. Diana Laidlaw: The Government keeps changing it daily.

The Hon. K.T. GRIFFIN: Yes. The Premier introduced four pages of amendments in another place; the Attorney-General has two pages here so far; I have nine pages; and other amendments are on file.

The Government is changing its position each day, and the most recent change related to charitable organisations. All this indicates that the Bill was hastily conceived and that there was not adequate consultation, regardless of the Premier's claims in the other place that there was. In fact, a South Australian financial institution (this has been referred to in the other place and again by me here in the Council) wrote to the Premier and said, 'We cannot possibly have our internal office procedures and computers updated so that this can come into operation on 1 December, but if you insist on it coming into operation on 1 December it will cost us between $120 000 and $150 000 to get over that interim period between 1 December 1983 and 1 February 1984.'

That institution indicated clearly to the Premier that it will have to bear the cost because its administrative and computer systems would not be up and running to give it the opportunity to pass on the duty. As I understand it, the request to the Premier was that the Government give some indemnity to this institution in respect of the cost which it will incur as a result of not being able to pass on the duty because of the haste with which the Bill has been introduced. I do not know what the Premier's response to that institution has been, if there has been a response, but honourable members can be assured that a number of other South Australian financial institutions are in that same position.

The credit unions, for example, are having considerable difficulty. Remember that credit unions are bodies which are established only for the benefit of their members, much the same as are building societies, but very much smaller. It is something of an impost on these small institutions to have to pull out all the stops, get their computer programmes up and running (if they have computers—some of them do not; so they will have to introduce computers to cope with this) and then to arrange to pass on the duty. Some of them will still have to bear the cost of the duty between 1 December 1983 and 1 February 1984; 1 February 1984 is a reasonable time for this Bill to come into operation.

I suspect that the Government is so desperate for funds and so anxious to get its hands on the Christmas turnover that it cannot bear to defer it until the new year. That just demonstrates the Government's anxiety to get its hands on finance, notwithstanding the problems that it causes to the private sector.

The Hon. L.H. Davis: And the holiday pay packets.

The Hon. K.T. GRIFFIN: That is where it will come from: holiday pay and Christmas spending. The haste with which this has proceeded is quite extraordinary—introduced on 27 October and into law in just over one month! Those institutions which will do the Government's work for it ought to be given a fair and reasonable opportunity to get their systems up and running now that they know what is likely to be in the Bill, and not be compelled to carry yet an additional cost of implementing this legislation by reason of the haste with which it has been passed into law.

It is important to recognise that there will be a substantial cost on these institutions, anyway. I said that one of the major institutions had indicated that it would cost $50 000 to change its computer programme to cope with the collection and passing on of the duty, and that it would cost that institution the same amount to collect it as the amount of duty which is collected; that is, 4c in every $100 would be the cost of processing the calculation, collection and payment of the duty to the Government.

Perhaps that large institution, which is a branch of one of the banks, is fortunate because it has got the expertise of its officers in New South Wales and Victoria to rely on. Perhaps it has already got a good bit of its computer programme ready, but institutions like building societies, credit unions and the two South Australian Government banks do not have that advantage and will have to start right from the beginning without having any opportunity to depend on the development work which has been undertaken in the Eastern States.

The Hon. Anne Levy: How much notice did Fraser give?

The Hon. K.T. GRIFFIN: I am not worrying about Mr Fraser. I am talking about what this Government is doing—one month—

The Hon. Anne Levy interjecting:

The Hon. K.T. GRIFFIN: I do not know; the honourable member can find out—to get this Bill out to the public and into law. Honourable members cannot tell me that, with a piece of legislation as complex as this, one month from public exposure to the point of enactment is reasonable. It is a complicated piece of legislation.

The Hon. J.C. Burdett: It was bound to be challenged.

The Hon. K.T. GRIFFIN: The Government was rather presumptuous to believe that it would get the Bill through in one piece because we have seen the Government not only accepting some Opposition amendments but also moving some of its own in the House of Assembly and relying on the Legislative Council also to tidy up the Bill. The Government will encourage that by some of its own amendments in this Council. I hope, also, that it will accept some of our amendments from this side of the Chamber.

So, it is conceived and implemented in haste, and its burdens will fall not just on the institutions which will have the responsibility of collecting it and paying it to the Government, but on the wider community because the costs of collecting it and paying the Government will be passed on to the community through the duty itself and through the increased costs of these institutions in providing their services to the customers and to members of the community. In the light of that, I believe that it is vital that this Bill be deferred and that instead of coming into operation on 1 December 1983 it come into operation on 1 February 1984.

The Hon. L.H. DAVIS: I rise to support my colleague the Hon. Mr Griffin in moving this amendment. There is no doubt that the starting date of 1 December 1983 is a date into which the Government locked itself some time ago, and that it has been quite unable to introduce the legislation in time to enable the financial institutions affected by this measure to implement the necessary and many complex changes that are required to enable them to effectively act as tax collectors for the Government.

It is interesting to reflect that it was only this year that the Federal Government, when introducing the Federal debits

tax, provided a six-month preparation period for the institutions so affected by that tax. That was a much less complex piece of legislation—no-one would deny that—yet even with that relatively straightforward Federal bank debits tax problems are still being encountered six months down the line.

Perhaps the most remarkable aspect about the starting date of this legislation being 1 December 1983 is the fact that South Australia is not trail-blazing in this field. Both New South Wales and Victoria introduced similar legislation late last year, with a commencement date early this year. I cannot believe that the South Australian Treasurer was unaware of the great difficulties experienced by those two States when introducing similar legislation. Those difficulties were well publicised, and one would believe that Treasury officials visited New South Wales and Victoria to look at the problems experienced in those two States during the introduction of the legislation. I am sure that they also looked at the lead times necessary for the Government to prepare and introduce legislation and what lead times were necessary for financial institutions to adjust their systems.

The one lesson that should have been learnt from the Cain Government's pitiful efforts to introduce this type of legislation is that the additional cost of introducing legislation of this type at short notice is borne not by the Government but by the financial institutions. The only favourable thing that can be said about the introduction of the legislation from 1 December 1983 is that, if Parliament passes the legislation in its amended form, it will at least be through Parliament ahead of the start-up date. In Victoria, Parliament was still debating the measure on the day that the legislation was designed to take effect.

The Government claims that it is trying to develop close relations with the private sector and that it is sensitive to the importance of the financial community of Adelaide, but the haste with which this legislation has been introduced seems to be quite at odds with those desires. The Government is trying to push the legislation through Parliament with indecent speed and, quite obviously, with inadequate opportunity for full consultation with the parties affected.

Did consultation take place with local government, sporting groups, religious groups and financial institutions during the lead up period when the draft Bill was first introduced? What date did financial institutions suggest as the possible commencement date for the duty? Did the Government receive any representations from the major financial institutions affected to the effect that the Government would be unable to introduce the legislation by 1 December 1983? Certainly, nationally based organisations are in a better position to cope with the December commencement date, if for no other reason than that they have had experience with similar legislation in New South Wales and Victoria. However, that does not detract from the fact that this legislation is in many important respects different to the legislation in those two States.

As the Hon. Mr Milne properly observed, the legislation necessitated the staff of affected businesses training at head offices in Melbourne or Sydney to ensure that computer programmes were in place and staff properly prepared for the introduction of the legislation. Can the Government honestly say that even major national institutions with major physical and financial resources are prepared for the introduction of the legislation on 1 December 1983? I have spoken to some members of major institutions and they assure me that the only way that they could be prepared for the December commencement date would be by spending more money than would have been the case had the measure been introduced at a more appropriate time, such as 1 February 1984.

The commencement date is just one aspect of the Bill. It does not make sense to have a commencement date less than two weeks after the legislation passes Parliament. This is the first major new tax to be introduced in this State in almost a decade. Most certainly, to my knowledge it is the most complex tax that has ever been introduced in South Australia. However, the Government is insisting that the legislation should be in force in less than two weeks time. That is not good enough. Certainly, the anger over this measure that has been generated in the media has not occurred at the hands of just a few people. There is a deep felt concern in the business community at the indecent haste with which the legislation has been introduced and, as I have said, at the lack of adequate consultation during the two months since the draft Bill was first introduced.

As we will discover when we go further in the Committee stages, charitable, sporting and other organisations were unaware of the full implications of the Bill. One suspects from the amendments on file that the Government itself was also blissfully unaware of the implications of the measure on charitable, sporting and educational groups. With so many amendments on file in this Chamber, it stands to reason that the Government is still feeling its way in relation to this measure. I therefore believe that the Government should reconsider the commencement date. Certainly, that will result in a loss of revenue, but I suggest that the small loss would be more than made up in the goodwill of the business community through the saving of some expense to that community and perhaps a greater appreciation by it that the Government really understands what the Bill is all about.

The Hon. J.C. BURDETT: I, too, support the amendment. I think that it is absolutely ridiculous to expect the measure to come into operation on 1 December. The amendment is realistic in that it provides a commencement date of 1 February. The Bill's final form is still very much an unknown quantity. The Attorney himself has a number of amendments on file; the Hon. Mr Griffin has a large number of amendments; I understand from the Hon. Mr Milne's second reading speech that he proposes to move some amendments; and there are other amendments on file. The final form of the Bill is unknown at this stage.

Although some of the amendments are minor, some of them are quite major and will significantly affect the way in which individual institutions handle their affairs so that they can correctly prepare their returns and pay the f.i.d. Assuming that the Bill passes some time tomorrow, there will be nine working days before the Bill comes into operation (assuming that 1 December is the commencement date).

If the Bill does pass this Council some time tomorrow, there will be amendments (there is no doubt about that), and it will have to go back to the House of Assembly. After that, eventually, the clean Bill as passed by the Parliament will have to be printed and individual financial institutions will have to assess the Bill in its final form. There is no point in their doing it now because it is quite possible that the Bill will be changed in quite substantial measure. There is no point in their doing it now as the financial institutions will have to assess how the Bill, after its final print in its final form, will apply to them and how they will have to run their affairs in order to comply with the Act.

As other speakers have said, it is absolutely stupid to suppose that that can be done in nine working days. As the Hon. Mr Davis has said, I would have thought that the Government would get a great deal more goodwill from its intending tax collectors, namely, the financial institutions, if it allowed them a reasonable time in which to get their house in order and to be able to comply properly with the Bill. As other speakers have said, it is a complicated measure; there is no doubt about that. It has clearly been misunder-

stood by the Government. How, in nine working days after the Bill has been passed, it can be expected that the financial institutions can correctly assess how it will apply to them, I really do not know.

I trust that members of this Council, and members of the Australian Democrats in particular, will have regard to this matter and will think about it carefully. I understand their position and understand that they do feel some hesitation about interfering with a taxation measure. However, I suggest that the same does not apply to the date of commencement of the duty. Surely that is a matter of being practical and reasonable, and the loss of two months revenue under this Bill should not be too big a price to pay in order to have it working properly and to have everybody reasonably satisfied with the way in which it operates. I urge the Council to accept the Hon. Mr Griffin's amendments and to appoint a realistic starting date for the collection of this duty.

The Hon. R.I. LUCAS: Can the Attorney-General give the Council the estimated receipts to Treasury from this duty for the months of December and January? There have been some suggestions that the amounts of revenue, particularly in the months of December and January, might be a little higher than for other months. There has also been some response from the Premier in another place that that would not be the case. The Premier suggested that the percentage of revenue in those months was going to be much the same as for each and every other month of the year. Other organisations argued, and it would appear on the surface to be logical, that December and January, because of the large amount of Christmas trade, would involve a larger than pro rata allocation of this amount. Yet, the Premier's response in the other place was to say that it was an accurate pro rata calculation. I would be interested to hear from the Attorney-General whether or not that is still the Government's answer and advice from Treasury and what is the precise estimated revenue for December and January.

The Hon. M.B. CAMERON: I find it difficult, in the absence of the group which, as the Hon. Mr DeGaris has said, will be the final arbiters of this particular path, to address this question, which relates to a very important Opposition amendment.

The Hon. C.J. Sumner: They have made up their minds, so sit down and get on with it.

Members interjecting:

The CHAIRMAN: Order! I do not want debate about whether or not other honourable members are present in the Chamber. I can see nothing in the amendment before the Chair about such matters.

The Hon. M.B. CAMERON: I am sorry, Mr President, but it is quite the opposite. I am not disagreeing with your ruling, but I disagree with the comment that you made, because it makes it extremely difficult to debate a question and present a point of view to other members in their absence. There are two such members, and my question will become very clear in a moment when I put it to the Attorney-General.

The CHAIRMAN: As long as it relates to this amendment.

The Hon. M.B. CAMERON: I will relate my remarks to this amendment and to the whole Bill.

The Hon. C.M. Hill: You are talking about members of the Australian Democrats Party, are you?

The Hon. M.B. CAMERON: Yes. I do this because I want to quote from the Hon. Mr Milne's second reading speech, to which I was going to refer the honourable member in seeking his support for this amendment. I would also ask a question of the Attorney about it. The Hon. Mr Milne said the following:

> I regret that the Government is pushing this legislation through in such a hurry, just because it will bring in something less than $2 million per month. No organisation has approached me to say that they cannot get ready in time, but, on making inquiries of the Credit Union Association of South Australia, I am quite certain that their members will not be ready in time, particularly those who are using manual accounting systems and not computers. I am reasonably certain that those on computers will not be ready, either, and one must remember that their systems could not be set up until they know exactly what the clauses of this Bill finally are, and that will not be known until Thursday 17 November, leaving nine working days before the Act will come into operation.
>
> In his second reading speech the Attorney-General has pointed out that the Government is prepared to allow the financial institutions which are not ready to make estimates for the first three months. How on earth are they going to make estimates on what taxes they are due for and how are they to distribute an estimated amount to their clients and depositors? This has shown a complete lack of knowledge of accounting procedures, and I think that the Government will regret it. It would have been far better to have allowed more time, both for the debate and for the tax collecting bodies to install their systems and to become familiar with them. I am told by Westpac that they have at least three senior people in Sydney and one in Melbourne answering questions full time which arise from the misunderstanding of members of the public as to how the Bill affects them. Hours and hours are spent in the early months of the introduction of a Bill of this kind explaining to people how it works and what it does to them.

I could not agree more with that point of view. It clearly laid out a very real problem within this Bill which this amendment is trying to clear up. Having read all that, I find that, at a time when I am presenting a point of view and asking questions, the members who have put that same point of view are absent from the Chamber. That makes it extremely difficult, and I ask the Attorney-General, first, whether he will report progress on this Bill until we can get those members back in the Chamber, so that we can present the point of view to which other members are now listening?

The Hon. R.I. LUCAS: There is a series of questions that may be asked based on the answers that we get from the Attorney-General. Is the Attorney going to sit there and wait until each and every honourable member has asked each and every question we can think of and then answer, or will he, after taking time to consult his adviser, respond to questions so that we can pursue a particular line of questioning if we need to do so?

In the debate in another place, the Premier, who handled the Bill there, responded to questions as members asked them, and the members were then able to pursue a line of questioning if they needed to. Will the Attorney inform us what his procedure will be in respect of the Opposition's asking genuine questions such as I have already put to him in relation to the estimates of returns to the Government from the f.i.d. in December and January and whether or not the Government still believes, as the Premier said in the other place, that receipts for trading banks in particular in December and January will be at the same rate as, for example, in June and July.

The Hon. C.J. SUMNER: I find the honourable member's question somewhat odd. I was ready to answer the question some time ago: I was sitting here waiting.

The Hon. M.B. Cameron: We were sitting here waiting too.

The Hon. C.J. SUMNER: That is not so. Members opposite were all jumping up. At the time the Hon. Mr Lucas jumped up, about four other members jumped up, so I thought it might be better to wait until honourable members had made their point. I could not really get a word in. As it turned out, the Hon. Mr Griffin leaped up and moved an amendment, the Hon. Mr Davis leaped up, then the Hon. Mr Burdett leaped up before I could get up. The Hon. Mr Burdett made exactly the same points as the Hon. Mr Griffin and the Hon. Mr Davis made.

There was then a genuine request for information from Mr Lucas, but as he got up about three other members leaped to their feet to get the call. Rather than becoming involved in this unseemly scramble for attention, I decided

to wait until members had finished what they had to say before responding. The Committee will be conducted as all Committee stages are conducted. If members can restrain themselves for long enough to give me a go, I will respond. The Bill was introduced into the Parliament on 27 October, a week before the matter was debated in the House of Assembly. This Bill has now been before the Parliament for three weeks, and prior to its introduction there was an extensive period of consultation with the industry groups concerned. There is correspondence indicating the support that those groups gave in terms of consultation over the Bill.

The Hon. Diana Laidlaw: But not the contents of the Bill.

The Hon. C.J. SUMNER: Yes, indeed, the contents of the Bill. The draft as distributed was significantly amended following discussions with the financial institutions concerned. Many of those institutions have recognised that and have stated that they appreciated the fact that the Bill that was introduced in the Parliament contained a large number of changes from the original draft Bill that was circulated. So, there has been consultation. The Bill has been before the Parliament for the best part of three weeks, and there was a completely clear week in which members opposite could consider it. Members seem to be quite well on top of the issue and I feel that we can proceed. The charitable institutions have been consulted, as members opposite know, and as a result I intend to move amendments. Whether there is an exemption or whether there are questions—

The Hon. R.C. DeGaris: It had nothing to do with that.

The Hon. C.J. SUMNER: Every member has mentioned charities and other institutions. The Hon. Mr Griffin, the Hon. Mr Burdett and the Hon. Mr Davis all mentioned the lack of consultation with charities. That matter will be dealt with.

The Hon. L.H. Davis interjecting:

The Hon. C.J. SUMNER: The Hon. Mr Davis certainly made a very theatrical point. The question of charities will be debated when that matter arises. The fact was that the original Bill would have been simpler than the proposed Bill that the Government now intends. In response to the Hon. Mr Lucas's question, I am advised that there is no great difference between the receipts of banks and financial institutions in the January and February period and the June and July period. The gross loss in December and January will be in the vicinity of $2 million in each month.

The Hon. R.I. Lucas: In a full month?

The Hon. C.J. SUMNER: Yes, that is the gross loss.

The Hon. K.T. Griffin: What about the other set-off?

The Hon. C.J. SUMNER: The total estimated in a full year will be $22 million. The full year estimate now, as a result of the concessions, is $14 million, so there will be a net loss of something less than $4 million for the two months concerned, so there is something of a bonanza in the Government's getting this Bill passed and operating before Christmas. There is not a great difference in transactions in that period in regard to receipts on f.i.d. as compared to other periods. The Government opposes the amendment. We believe that there has been an adequate period of consultation and that the Act can come into force on 1 December.

The Hon. K.T. GRIFFIN: The Attorney-General has just misinterpreted what I was saying in respect of my amendment. I was not complaining about the fact that members of Parliament had not had enough time to consider the matter: I was saying that there was indecent haste in the Government trying to get this measure through and implemented in just over one month after it was introduced into Parliament. I have done my homework, and I believe that most members have done their homework on this measure.

The Hon. L.H. Davis: Members on this side!

The Hon. K.T. GRIFFIN: Yes, but the fact is that those who have to implement the measure, calculate the tax, collect the tax, and pay the tax to the Commissioner of Stamps will have had only one month since the Bill was publicly available to scrutinize it and determine where they may be going in that regard.

The Hon. M.B. Cameron: They still don't know what it is going to be.

The Hon. K.T. GRIFFIN: That is right. Amendments still have to be considered and amendments were made in the House of Assembly, so no-one knows what this Bill will be like when it is presented to the Governor for his assent. It will only be at that point that institutions will know precisely what they have to do to comply with this Bill. When the Bill comes out of the Parliament, whether it is tomorrow, Friday, Saturday, Sunday, or whenever, there will be only one week and a bit between the final edition being made public and the date when it comes into operation. I do not know how people in business could ever conduct their affairs if they operated like that. The Government is putting an imposition on people to conduct their affairs in a disorderly and administratively bad fashion to satisfy its desire to collect tax as early as possible.

The Hon. M.B. CAMERON: I am pleased to note that the two members of the other Party in this place have come back into the Chamber. I am sure they understand the problem now, especially after receiving a deputation of people who did not understand the tax and who are suddenly finding that it will affect them in one way or another.

The Hon. R.C. DeGaris: Those people will know now.

The Hon. M.B. CAMERON: Yes, one would hope so.

The Hon. C.M. Hill: What about the speech about which you were commenting?

The Hon. M.B. CAMERON: I do not know whether I should repeat that part of the speech to the Hon. Mr Milne, because he clearly and succinctly laid out the problem that people will have in implementing that tax. I applaud him for the way he put it, because it is exactly the way that we feel about it: that people have no idea what the final Bill will be and they will have only nine working days or less by the time they get the Bill to get ready to implement the tax. Does the Attorney-General believe that large institutions will have sufficient time to bring their computer operations on line with the necessary changes to collect this tax, other than in estimated form? If that is not the case, how does he imagine that institutions will be able to allocate the cost of this tax to their clients when it is only on an estimated basis? Can he give some advice on how he believes any large financial institution can allocate such expenses as has been pointed out by the Hon. Mr Milne? In my opinion that will be impossible, but perhaps the Attorney has other information.

The Hon. C.J. SUMNER: I am aware of the point raised by the Hon. Mr Griffin, but it does not alter the fact that the Bill has been before Parliament and, therefore, has been open to the public for the best part of three weeks. I am sure that those institutions concerned have taken a very active interest in the matter and obtained a copy of the Bill. Further, I point out that the initial draft was given to them on 6 September and that extensive consultations were held with a number of financial institutions, as referred to in my second reading explanation.

Most of the people who will be concerned with collecting this tax have been aware of the broad outlines of the duty for about 2 1/2 months. Those others have at least been aware of it since the best part of three weeks, since it was introduced to Parliament. It is nonsense to say that we do not know, or that members of Parliament do not know and, therefore, institutions do not know what the Bill contains.

Obviously, they know what it contains; there may be some amendment—

The Hon. M.B. Cameron: You cannot programme computers on thoughts.

The Hon. C.J. SUMNER: I am sure that they have already done a significant amount of work on whatever programmes they have on the basis of information that they have—many of them have had that since 6 September, and the public generally since 27 October when the Bill was introduced in another place. Further, many of those involved are national institutions and they have had the experience of such a duty in New South Wales and Victoria. They have some experience in preparing whatever changes are needed to their accounting mechanisms in order to collect the tax. Overall, the Government does not believe that there is an insuperable problem in having the duty apply from 1 December 1983.

The Hon. C.M. HILL: The Government is showing a complete lack of understanding and respect for the business community by bulldozing this measure as it is doing, despite the problems that have been pointed out to it, by wanting the business community to adapt its procedures in a period of about nine days. I believe that the Government is not going to win any points at all with the commercial and business community, or with the people with whom they are connected, the people who ultimately will be paying this tax when it becomes known to everyone—known throughout the State, far and wide—that this measure is to be implemented only nine days after it passes the Parliament.

I do not think in this State that we have ever had a measure comparable with this that has been bulldozed through and imposed upon the community at such short notice. As the Minister has just said, the Government's argument on this point is that there has been some consultation and that the business community has been aware that something is going to happen. What does it really mean: it means that the commercial world has known that the Government has wished to introduce this law. The Government and the Opposition know that, if we are honest with ourselves, until both Houses of Parliament pass the legislation, it is not law and, therefore, business houses really cannot gear up with certainty in regard to their systems until the measure has been passed by both Houses. It is even more uncertain in this State in that situation, because in one of those Houses the Government has not even a majority.

So, there are great uncertainties from the point of view of those people outside and those who are affected as to what is really going to happen. While they wait in some fear and dread, they are still uncertain at this time. They do not know with certainty what the measure will finally include when it becomes law. It is not until a point in time that they can with certainty say to themselves, 'We must apply ourselves as a collecting body and so forth and organise our computer systems and all our other structures so that we can collect this tax, which the Bill imposes upon us.'

Until that time is reached, one cannot expect the commercial world to reorganise itself to live with the new measure. So, it does not really matter how long the Government has been consulting with them, it does not matter for how long they have been in the discussion stage: they still must wait until the measure becomes law and this Government, on present estimates, is giving them about nine days. To me, it seems that the delay in the operation of the measure until 1 February is fair and reasonable from every point of view if the measure is looked at in a logical and reasonable way. Measures of this kind do affect the business community seriously, not just from the point of view of commercial collection but in regard to systems being restructured to provide for such a new measure.

This Government is lacking in understanding of the commercial and business world. It is lacking in understanding of this section of the community who are important in the Government's overall programme, who are important within the State economy. Therefore, to show this lack of understanding and respect for the business community deserves strong condemnation if the Government continues and pursues its intention to maintain the Bill in its present form and to introduce the measure on 1 December.

So, I support the amendment very strongly. I was waiting for the Minister to give some reply to the points that have been made by earlier speakers, but if the reply that he gave a moment ago is the Government's final word on the measure I would think that all members on this side should support the amendment very strongly, and I would think, based on the second reading speech of the Hon. Mr Milne and those relevant comments within his speech that were read by the Hon. Mr Cameron (unfortunately, the Hon. Mr Milne was absent at the time), that the Hon. Mr Milne has committed himself to give the commercial and business world in South Australia this fair and reasonable time to adjust themselves to take into account the introduction of this measure on 1 February next year.

The Hon. K.T. GRIFFIN: The Attorney-General says that he does not think that there is any insuperable problem. That is perhaps a typical response of the Labor Party: no insuperable problem if one does not have to solve it or implement particular decisions. What is happening in this instance is that the private sector is having to endeavour to meet an unreasonable deadline to be able to implement this legislation. It is correct that national banks with branches in this State would have had some experience of what has been happening in New South Wales and Victoria, but I pointed out when I spoke first that there are the Savings Bank of South Australia, the State Bank of South Australia, all the credit unions (which are prohibited by their rules from operating outside the State) and building societies (which again are prohibited by their rules from operating outside of South Australia) all of which are purely South Australian-based and do not have the opportunity to draw upon the experience of other branches of building societies from interstate. They just do not have that ability at all; a substantial amount of money passes through building societies, credit unions and the two Government banks in this State.

The Hon. Diana Laidlaw: December is also their busiest period.

The Hon. K.T. GRIFFIN: They will be busy, too, with lots of deposits and probably a great number of withdrawals in this Christmas season. The Leader of the Opposition (Mr Olsen) has received a telegram today from the Secretary, South Australian and Northern Territory Division of the Bank Employees Union, as follows:

Following telegram has been sent to Premier:

The South Australian and Northern Territory division of the Australian Bank Employees Union totally opposes the introduction of the financial institutions duty for the many and various reasons already expressed by the Leader of the Opposition and urges the Government to allow the matter to lie in the House for a further period of three months.

A.L. Lindley, Secretary

So, here is a union working in the industry, seeking not just a two-month deferral as the Opposition is seeking, but three months; then it wants it only to lie on the table so that full consideration can be given to its implications.

The Hon. L.H. DAVIS: The Attorney-General quite rightly pointed out that many of the institutions directly affected by the financial institutions duty are national institutions. The Hon. Mr Griffin, however, has pointed out that many of the institutions so affected will be locally based operations which are required to conduct business only within South

Australia. I would like to draw the Attorney-General's attention to the smaller credit unions which have manual operations and which would be unable to adapt perhaps quite so readily to this process as some of the larger institutions which have computer programmes. That is not to say that the rewriting of computer programmes will not be both costly and time consuming.

I also have no doubt that the introduction of this measure on 1 December 1983 will be inconvenient, not only to the financial institutions themselves but I suspect to some of the employees. I would not be surprised to see that holiday arrangements for some of the workers in financial institutions, whether they be banks, credit unions or building societies, had to be rearranged because of the need for them to work extra hours to cope with the introduction of this tax right at the commencement of the traditional Christmas holiday season.

The Hon. J.C. Burdett: They will probably miss out on the Christmas holidays.

The Hon. L.H. DAVIS: That is exactly what I meant; holiday rearrangements will be necessitated by the introduction of this tax. There is no question that what I am saying is correct because major institutions to which I have talked have indicated the degree of inconvenience which this tax will result in. Of course, it necessitates many additional man-hours in re-writing computer programmes, and deploying staff in the introduction of this tax, quite apart from the rewording of various communications to the customers of the various financial institutions.

I have a specific question to the Attorney-General: has the Government had specific objections to the commencement day of 1 December from financial institutions? Is the Attorney-General prepared to disclose what those specific objections are, and from whom?

The Hon. C.J. SUMNER: I understand that the Australian Finance Conference is happy with this December date, but there are objections from other institutions.

The Hon. L.H. Davis: It is happy with the arrangement, is it not? But I am asking about other institutions.

The Hon. C.J. SUMNER: That is what I said. If the honourable member keeps quiet he will be told. There have been objections from other institutions to the 1 December starting date, but the Government does not believe that the problems of starting on 1 December are insuperable.

The Hon. R.I. LUCAS: The response to the earlier question that I put with respect to estimates of revenue in December and January is surprising. I do not doubt that that is the advice from Treasury. I would have expected, for example, that the rural industry through the latter part of December and January would be receiving quite significant amounts by way of wheat cheques.

The Hon. M.B. Cameron: And wool cheques.

The Hon. R.I. LUCAS: Wool cheques as well, as I am advised by my rural colleague. I am told that they do not generally put those under their beds at home, but they deposit them in the banking system. In addition, there has been a suggestion of the greater turnover through the month of December. That may well flow over because people do trade a little bit in December and pay their bills perhaps in January. I accept that Treasury has provided this information. My question is: upon what information is the Treasury advice based? Is it based on a survey of selected financial institutions? How recently has that information been collected on which the estimate has been made? If it is not a survey, how else has the information been collected for the Government to make the estimates that it has?

The Hon. C.J. SUMNER: The basis was the figures for bank deposits for the relevant period each month.

The Hon. R.I. Lucas: How recent are the figures?

The Hon. C.J. SUMNER: The most recent figures available. I have no information about how recent the figures are. Officers checked the A.B.S. figures for bank deposits for each month. I assume that it was based on the latest figures available.

The Hon. R.I. Lucas: Are they 1981 figures?

The Hon. C.J. SUMNER: I am not sure; that can be checked.

The Hon. K.L. MILNE: In my second reading speech I tried to diagnose the situation in the hope that the Committee could give the commencement date a good airing. However, two things have occurred since the Government made its decision, and public fears and worries are becoming more apparent. The number of people who telephone me and the questions that they ask make me realise that they do not understand the Bill. Honourable members will recall that I said that banks have informed me through correspondence that they have had to put on staff to do nothing else but answer questions about f.i.d. I believe that the more matters that are explained before the Bill is passed and before the commencement date, the less work will be required later.

No-one has mentioned staff training. Many businesses, particularly banks, are now forced to conduct staff training programmes, because many of the decisions on f.i.d. will be made at the front counter by bank tellers (and many of them are young people). The tellers must be trained in relation to the rules and they must receive instruction on what is dutiable and what is not. Staff training cannot commence until institutions become aware of the rules. I think that it would be sensible if we reached a compromise in relation to the commencement date and made it 1 January. I am sure that that would be most helpful to the business community, particularly the banks as they are expected to collect the money for the Government. Of course, that will reduce the collection period to five months, but I am informed that the December collections will be no greater than for any other month. Is the Attorney-General prepared to accept an amendment to change the commencement date to 1 January?

The Hon. M.B. CAMERON: I believe that the Hon. Mr Milne's proposition has some merit. The Opposition believes that even more time is required, but, as the Hon. Mr Milne himself said, nine days is insufficient time in which businesses can make the necessary preparations for this measure. Quite frankly, I think that it would be irresponsible of Parliament to pass this Bill as it stands; that is certainly the case based on the Attorney's comment that the necessary arrangements are not insuperable. That is an airy fairy way of casting aside all the problems associated with the introduction of this measure.

I am awaiting a reply from the Attorney as to whether he believes that the institutions that levy this tax will be able to allocate the costs based on an estimate. In many cases it is obvious that the costs will almost certainly have to be borne by the institutions. Therefore, there is a direct loss factor to the institutions. I suggest that the Committee report progress and that we further consider this matter during the dinner break. During that time the Hon. Mr Milne will have an opportunity to canvass his suggestion with other members. We should not pass over this matter without allowing further time for proper consideration. During his second reading speech the Hon. Mr Milne said that he agreed with some of the Opposition's suggestions.

The CHAIRMAN: I point out to the Hon. Mr Milne that his suggestion will not require special guidance: he need only move an amendment to delete the word 'February' and replace it with 'January'.

The Hon. DIANA LAIDLAW: I support the Hon. Mr Griffin's amendment. The haste with which this Bill has been introduced and its impact on financial institutions in

this State was the main thrust behind my second reading speech. The Attorney-General indicated quite strongly and took some pride from the fact that not only was there consultation in relation to the Bill but also agreement. I remind the Attorney of the Premier's remarks when introducing this Bill in another place. The Premier had just listed the associations that had been presented with the Bill on 29 September when he said:

> It should not be inferred from this that these bodies are universally in favour of the introduction of f.i.d. Many remain quite strongly opposed.

I would like the Attorney to equate that comment by the Premier with the remarks made by the Attorney earlier today. Those institutions that the Premier indicated were not universally in favour but, in fact, remain strongly opposed to an f.i.d. were the very large institutions in this State, not the very small institutions such as the credit societies which have, in fact, one-fifth of their turnover here in the month of December. They are also the ones which have manual accounting procedures, yet they are the ones about whom the Attorney-General, quite offhandedly, remarks he believes are not facing insuperable problems, I think were the words used. I think the Attorney's approach is quite unacceptable. It is refreshing that the Western Australian Parliament has seen fit, in debating the f.i.d. Bill, to set an operative date of 1 January. If that is a compromise considered by this Committee as being necessary because of the pressures on the institutions administering this tax, then I think it is one we should accept.

The Hon. C.J. SUMNER: The honourable member heard my earlier remarks. I did not indicate to the Council that the institutions consulted expressed a view in favour of the present position or the f.i.d. In my second reading speech I used the same words as those used by the Premier. I said that there was extensive consultation and a draft Bill was sent to them on 6 September this year. It seems a trifle odd that the Australian Finance Conference, whose members would benefit from the stamp duties concessions that accompany this Bill, seems not to have trouble getting its accounting together by 1 December, yet other institutions that will not benefit to the same extent by way of stamp duty concessions are having difficulty getting their act together by 1 December.

The Hon. C.M. Hill: That is a very cynical approach.

The Hon. C.J. SUMNER: I agree entirely with the honourable member that it does tend one to cynicism, but in politics one has to get used to that. It is surprising that some institutions will apparently have great difficulty in implementing this duty while others will be able to manage the 1 December deadline. It is true that some institutions may not be able to pass on the duty to their customers if the 1 December date becomes operable. However, that does not apply across the board.

The Hon. R.C. DeGaris: Isn't that a little unfair?

The Hon. C.J. SUMNER: I am not sure about that. I think that most institutions could find it within their scope to make payment by the date suggested by the Government. I repeat that, apparently, a number of members of the Australian Finance Conference can manage it by 1 December.

[Sitting suspended from 6 to 7.45 p.m.]

The Hon. R.I. LUCAS: Has the Government estimated the cost of extra officers that will be required (if any) and the extra procedures, because obviously extra procedures and administrative costs will be involved? I presume that Treasury officers will be involved in this measure, but what other Government departments will be involved and how many extra officers will be required, particularly in relation to the exemptions?

The Hon. C.J. Sumner: A lot more officers will be needed now than would have been the case under the original Bill.

The Hon. R.I. LUCAS: The Attorney is quite right in that respect. I believe it was the Hon. Mr DeGaris who referred in the second reading stage to problems in Victoria and New South Wales in administering exemptions for charities. The Government, under some pressure, has now adopted that situation, and it may mean that each and every body in South Australia which believes itself to be a charitable institution or which believes it can argue a case in that regard will go to the Commissioner or one of his officers to seek an exemption. Clearly, Treasury officers, will have a significant new role. I am sure that the Government must have done some calculations as to the extra costs that will be entailed in the administration of this duty, in particular in relation to the amendment that the Government has now accepted with respect to exemptions for charitable institutions.

The CHAIRMAN: Order! The honourable member must tie his remarks to the amendment. I believe that the honourable member's remarks probably refer to some other clause. The clause that the Committee is now considering refers to the change of date.

The Hon. R.I. LUCAS: I have looked through the clauses. The only clause that I can find with respect to the total cost to the Government of operating the financial institutions duty and the total revenue to be received from that duty is clause 2. If there is a more appropriate clause, I will be happy to take you guidance, Sir. Prior to the dinner break I was asking a series of questions on the total amount of revenue that the Government would collect, as well as some other general questions with the respect to the administration of the financial institutions duty and the revenue to be collected. That is how I tie up my remarks with clause 2. If there is a more appropriate clause, I will take your guidance, Sir.

The CHAIRMAN: I am not too sure, but I would have thought that there must be a more appropriate clause. I should have thought that probably clause 3 would deal with the matter in a much wider scope than does clause 2, which merely sets the date of operation.

The Hon. R.I. LUCAS: Are you, Sir, ruling that questions with respect to estimates of Government administrative costs ought more properly be directed to clause 3 rather than clause 2? I am happy to accede to that, as long as I can have the opportunity at some stage of putting questions on that matter to the Government.

The CHAIRMAN: I do not want to rule that way but, as the honourable member can see, clause 2 relates to the commencement date. Honourable members' comments should relate to the relevant clauses.

The Hon. R.I. LUCAS: Can I put a point of view to you Mr Chairman? Had you ruled—

The CHAIRMAN: I will rule then if I have to do that. I rule that presently we are dealing with Mr Griffin's amendment to clause 2.

The Hon. R.C. DeGARIS: The Hon. Mr Lucas is asking the Attorney-General a very fair question in relation to this matter, particularly regarding the starting date of the tax. Can the Attorney-General say, first, whether there has been any approach to him by financial institutions relating to a difficulty that they face in regard to commencement of this measure on 1 December and in relation to their being able to programme their computers to handle the tax? I realise that this is a tax on financial institutions and not on depositors and that therefore this matter does not worry the Government. But it does worry the institutions.

Secondly, in regard to the exemptions, the starting date of 1 December is extremely difficult because each organisation must make its application for exemption, which must

be processed, and then the financial institution has to organise itself to have those exempt accounts identified on its books. I think the real point in regard to exemption is that while there is no exemption this does not cause a great problem but, where one moves to an exemption, it creates an extremely difficult process for the financial institution. I direct that question to the Attorney-General in relation to the starting date and also ask how those financial institutions can organise themselves to handle all the exemptions that may be provided under the legislation.

The Hon. M.B. Cameron: They would have to go on to the computer.

The Hon. C.J. SUMNER: The Government believes that this can be coped with under the transitional provision of the Bill. In relation to Mr Lucas's question, I point out that in a normal year it is expected that costs will amount to $130 000. The approximate estimate for a full year is about $225 000; in the implementation phase, that is, the current year, the cost is estimated at $225 000.

The Hon. R.I. Lucas: This is after the amendments?

The Hon. C.J. SUMNER: It is for the implementation year, and it will be $130 000 in a full normal year.

The Hon. R.I. Lucas: That is including the amendment provision?

The Hon. C.J. SUMNER: Yes. The fact is that it seems a little odd that honourable members opposite made such a fuss about the rebate system.

The Hon. R.I. Lucas: The charities made the fuss, not us.

The Hon. C.J. SUMNER: I am fully aware that the first point that the Leader of the Opposition made in the House of Assembly was to completely misrepresent the amendment—

Members interjecting:

The Hon. C.J. SUMNER: —with respect to its impact on charities. It is clear that charities were not—

Members interjecting:

The Hon. C.J. SUMNER: They had to apply for a rebate. Further, whatever rebate was not applied for was going to be disbursed to welfare organisations through the Department of Community Welfare. As regards charities, there was no net obligation under the Bill as it was previously introduced. As a result of Mr Olsen's fuss, we have now had to move to an exemption system with the difficulties of which we were aware in Victoria and New South Wales. That was why a rebate system was preferred.

The Hon. R.I. Lucas: Is $250 000 the answer?

The Hon. C.J. SUMNER: I am not sure what the honourable member is interjecting about.

The Hon. R.I. Lucas: I did not realise that you could answer a question that was ruled out of order.

The CHAIRMAN: Order! We are not going to start off with a donnybrook. I hope that the honourable member can obtain whatever information he wants from the Attorney-General. I made the point that the honourable member was not referring to an amendment or the clause. If there is some other way in which he can ask the Attorney-General a question and relate it to the clause, I shall be pleased. I accepted the question of the Hon. Mr DeGaris because he did relate it to the clause. I understand that the Attorney is answering that question.

The Hon. R.I. Lucas: He is answering mine.

The Hon. C.J. SUMNER: I am answering them all. I want to ensure that the Committee has all the information it needs to make a decision on this important matter. It seems that about four extra staff will be required at extra cost to the State to introduce the exemption scheme as opposed to the rebate scheme in a full year. It is unfortunate, but apparently that is what Mr Olsen wanted—a greater cost to the Government.

The Hon. K.T. Griffin: Nonsense—he wanted to save the charities much trouble.

The Hon. C.J. SUMNER: The charities were never in trouble. There was never any net loss to the charities.

The Hon. R.I. Lucas: Why did they raise this matter with us?

The Hon. C.J. SUMNER: I would have thought that that was fairly obvious—it was as a result of what Mr Olsen had to say. He simply misrepresented the effect of the Bill on the charities, as members opposite well know.

The Hon. R.I. Lucas: Why did you make the change?

The Hon. C.J. SUMNER: Despite the argument that I am putting tonight, the Opposition in another place determined that it wanted the exemption with the additional cost and a subsequent reduction in the net amount collected under the duty. That answers both questions.

The Hon. K.T. GRIFFIN: I do not want to open up debate in this clause in respect of charitable institutions. I will address a number of comments on that matter in due course. However, I refute absolutely the assertion of the Attorney in respect of the Leader of the Opposition's attitude to charities in another place. I will put the record straight once again when we deal with the appropriate clause.

The Hon. R.I. LUCAS: In the estimates of Government revenue made by Treasury, has a close investigation of the problems of estimation been made by officers in respect of the situation in Victoria and New South Wales in regard to f.i.d.? In particular I refer to an August report in the Melbourne *Age* concerning the Victorian Treasurer (Mr Jolly), who expressed some concern that the original estimate in that State of about $80 million had been revised to $50 million (it may have been an over-estimation in his view), and then the Opposition put the estimate at perhaps only about $30 million.

Clearly, they had problems with similar legislation to this in estimating the amount of revenue to be collected from the financial institutions duty in Victoria. Did the Treasury officers either travel to Victoria or have discussions with their colleagues in Victoria to ascertain why the original estimates by the Victorian Treasury officers were so high? Did they make those allowances in the estimates of $22 million gross from the financial institutions duty here in South Australia?

The Hon. C.J. SUMNER: Those discussions were held and the representatives of Treasury in South Australia based their estimates on the actual results and not on the estimates in Victoria.

The Hon. M.B. CAMERON: I am still a little concerned at the way in which the Attorney-General is just waving aside the problems raised by Mr DeGaris, Mr Milne, myself and almost every person who has spoken in relation to the initial stages of this Act, namely, the problem of financial institutions having to estimate the amount that should be collected and having to either allocate those estimates amongst their clients or accept the financial burden. In fact, it becomes a net cost in many cases on some of the financial institutions. How much thought was given by the Government when it brought in this Bill at a very late stage (although everybody knew it was expected to be in operation on 1 December), to the problems that it would be causing financial institutions?

Surely it must accept the blame for the situation now facing the financial institutions as it is not the fault of such institutions that they have insufficient time in which to gear up themselves and their computer programmes. In fact, they will not know, until the list of organisations is released, as to whether or not they will be charged. How much thought was given by the Treasurer and the Government to this problem? Surely the Government must now consider accepting the amendment moved by the Opposition and

give reasonable time rather than face financial institutions with a heavy loss in the first months or weeks of operation of this measure.

The Hon. L.H. DAVIS: In discussing the reason for the introduction of the legislation and its operation from 1 December 1983, the Treasurer suggested that that was the earliest convenient date upon which the Government could introduce the legislation. He made the point that, when it is part of the Budget package announced in August it is obviously desirable to get the legislation in place as soon as possible. He went on to make the point that the Government did not want to be unreasonable and wanted to have full consultation to enable the setting up of the system by the institutions concerned. It would suggest, however, from the correspondence and discussions that members on this side of the House have had, that there has not been full consultation or time available for the setting up of the system, which the Treasurer claims is a necessary prerequisite to the introduction of this taxation measure. I would like the Attorney-General to respond to that point, which is quite critical to the debate.

The second point to which I would like the Attorney-General to respond is that the Treasurer made the rather remarkable proposition during the course of the debate in another place that because this legislation was part of a Budget revenue package back on 4 August, if the legislation could have been put in place shortly after that date it might have been possible to have a lower rate. That suggests very much to me that the Government is reasonably flexible, not only as to the date but also as to the rate. We are, of course, talking about the date in this clause; we will have an opportunity to talk about the rate in a later clause. I am again curious to know from the Leader why if the Treasurer talks in this fashion in another place the Government cannot bend and take the reasonable position, which would certainly be readily agreed to by the business community of Adelaide, and accept the amendment put forward by the Opposition.

The Hon. C.J. SUMNER: I have already answered that question. I have indicated the revenue implications of the suggestion put by the honourable member about the change in date. I indicated to the Hon. Mr Cameron that the Australian Finance Conference apparently is able to cope with a 1 December date. Certain other institutions have indicated that they would have some difficulties, but it seems odd that the members of the Australian Finance Conference are able to manage whereas others apparently are not. It is also interesting to note that members of the Australian Finance Conference are the ones who stand to benefit from the reduction in stamp duty.

The Government believes that the 1 December date can be coped with. The matter has been canvassed sufficiently. I have indicated the extensive period of consultation that the Government went through with the institutions concerned, going back officially at least until 6 September this year. The Bill has been before the Parliament for some three weeks, and the Government considers, in view of the fact that certain institutions are able to cope, that it should not be beyond the capacities of others.

The Hon. K.L. MILNE: I wish to inform the Committee that, if the amendment is not carried, after the Bill has been reported I will seek to recommit it for the purpose of moving a further amendment to clause 2.

The Committee divided on the suggested amendment:

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

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

Majority of 1 for the Noes.

Suggested amendment thus negatived; clause passed.

Clause 3—'Interpretation.'

The Hon. K.T. GRIFFIN: I suggest that, in order to make it easy for the Committee, we deal with questions and comments on each definition; otherwise, we will be all over the place. But that is a matter, with respect, that I will leave to you, Mr Chairman. However, I want to ask a question about 'approved Government instrumentality', which relates to clause 35. 'Approved Government instrumentality' means:

(a) an instrumentality or agency of the Crown in right of the State;

or

(b) a department of the Government of the State,

declared by the Treasurer, by instrument published in the *Gazette*, to be an approved Government instrumentality for the purposes of this Act:

Which instrumentalities or agencies of the Crown does the Government propose to declare for the purposes of the definition?

The Hon. C.J. SUMNER: In general, those instrumentalities that will be exempt from the duty will be those that do not have a significant commercial operation.

The Hon. K.T. GRIFFIN: Do I presume from the Attorney's answer that agencies such as the Electricity Trust and S.G.I.C. will not be approved for the purposes of the Act?

The Hon. C.J. SUMNER: That is a correct assumption.

The Hon. K.T. GRIFFIN: I presume also that the South Australian Superannuation Fund is not presumed by the Government to be an agency of the Crown for the purposes of the definition?

The Hon. C.J. SUMNER: I undertake to obtain an answer for the honourable member before the Committee votes on the clause.

The Hon. L.H. DAVIS: The Attorney-General's last answer has demonstrated an apparent weakness of the definition of 'approved Government instrumentality' in this clause. Did the Government consider the path that was chosen by at least either New South Wales or Victoria where the legislation in one of those States defines the commercial operations of approved Government instrumentalities to be subject to the application of financial institutions duty? That is a much neater approach.

Just as the Hon. Mr Griffin drew attention to the commercial operations of some instrumentalities or agencies of the Crown, it is true that certain Government departments have commercial operations. During the second reading debate reference was made to two departments—Woods and Forests and Public Buildings, the latter having a spectacular commercial operation in recent months. In view of the Attorney's uncertainty as to how this clause will operate, will the Government review the definition to see whether there is a more acceptable way of encompassing departments, instrumentalities or agencies of the Crown so that their commercial operations are caught in the net of f.i.d., just as are all operations in the private sector that have as their performance the pursuit of profit?

The Hon. C.J. SUMNER: Following the criteria I have outlined, the Woods and Forests Department is not exempt. The Public Buildings Department will be exempt, because it is not a commercial operation.

The Hon. K.T. Griffin: You're joking. It has a construction division competing with the private sector.

The Hon. C.J. SUMNER: There is no need to define the various Government instrumentalities beyond what is there for the purpose of the legislation. That can be done elsewhere as has been suggested.

The Hon. L.H. DAVIS: I find that answer outrageous. We have now had a tacit admission from the Attorney that

the Public Buildings Department will be exempt from this financial institutions duty, notwithstanding the fact that the State Government is using it as a vehicle for building bridges in direct competition—

The Hon. M.B. Cameron: Not in direct competition; without tender.

The Hon. L.H. DAVIS: —with the private sector, and we note in many cases, as my colleague the Hon. Mr Cameron has observed, without tender. Only in the second reading debate I noted how the private building sector was on its knees, and that all major building companies in Adelaide are tendering for jobs just to remain in business, not necessarily with any thought of making a profit. To hear in this Committee the Leader of the Government state that the Public Buildings Department will be exempt, whereas the Woods and Forests Department will not be, just shows what an *ad hoc* approach this Government has had. Will the Attorney-General explain how the Woods and Forests Department will not be exempt from the financial institutions duty but the Public Buildings Department will be? I fail to see the reason for that distinction, because the Woods and Forests Department has commercial operations in direct competition with the private sector. The same is most certainly true of the Public Buildings Department.

The Hon. C.J. SUMNER: There is no point in the honourable member's becoming agitated. I thought that he, as well as anyone in the Chamber, would have understood the distinction. The Public Buildings Department traditionally has carried out work for the Government. What is the point in imposing a financial institutions duty on the Public Buildings Department when one has to appropriate moneys from general revenue to pay that duty?

The Hon. K.T. Griffin: What about programme performance budgeting?

The Hon. C.J. SUMNER: We know all about programme performance budgeting from the Hon. Mr Griffin. It is taking money from one pocket and paying it into another. I would have thought that was not appropriate, although it may be an accounting device which members opposite would wish to impose. It certainly has no net effect on Government revenue, and therefore it is unnecessary. On the other hand, the Woods and Forests Department operates a commercial operation which is profitable and in direct competition with the sale of timber with other organisations. In that situation it is quite reasonable for the duty to be imposed. I would have thought that that was quite clear.

The Hon. K.T. GRIFFIN: The Public Buildings Department is in direct competition with the private sector so far as construction is concerned. It is all very well for the Attorney-General to skirt over my interjection about programme performance budgeting, but one of the objects of programme performance budgeting is to bring to account all of the costs which Government incurs, or at least should incur, in respect of a particular operation, whether it be construction work or other work. If f.i.d. is assessed on the construction work performed by the Public Buildings Department we would at least then have an accurate estimate of the cost of that work to compare with the private sector work costs. What I am trying to find out in relation to this clause is what the guidelines really are. They have been loosely described as 'those Government department or instrumentalities which do not have a very high profile commercial operation'.

The South Australian Housing Trust is an instrumentality of the Crown which builds welfare housing and also competes on the open market in the construction of factories and such buildings. What is the position with the Trust? If I can take the matter a step further, we know what an instrumentality of the Crown is, but what is an agency of the Crown? Is the South Australian Oil and Gas Corporation an agency of the Crown? That is, from memory, a limited company in which the shares are held in trust for the Government. Is SAGRIC, the overseas trading corporation of the Department of Agriculture, in which two Ministers hold all the issued shares, an instrumentality of the Crown?

The Hon. R.C. DeGaris: They probably bank in Baghdad.

The Hon. K.T. GRIFFIN: Or Bahrein. What about the Pipelines Authority, which is a statutory corporation? Presumably that is an instrumentality of the Crown. Is it to bear a financial institutions duty? Will the Attorney-General answer those specific questions and give a clearer definition of what guidelines will be used to determine whether or not Government department or instrumentalities are agencies of the Crown and whether or not they will be declared and thus be exempt from an f.i.d.?

The Hon. C.J. SUMNER: I have answered that question for the honourable member already. I have indicated previously that, in general terms, it will be normal Government departments of the Public Service and the State, as in the case of the Public Buildings Department, that will be exempt. There is no point in imposing duty in order to pay the duty imposed, which seems to me to be a somewhat pointless exercise. On the other hand, the Woods and Forests Department is a profitable enterprise which competes with private enterprise, and it is reasonable that duty should apply in that circumstance. That is the criterion under which the declarations will be made in due course.

The Hon. R.J. RITSON: I wish to pursue the matter taken up by the Hon. Legh Davis and the Hon. Mr Griffin on the question of the P.B.D. and its operations, because everyone knows that the P.B.D. is in direct competition with private industry. A lot of nice platitudes are mouthed from time to time about Government instrumentalities that enter this sort of competition being required to pay on an equal basis, and it is quite clear that the P.B.D., amongst its other advantages (none of them being cost), would enjoy relief from the f.i.d. It already enjoys a great Government bias in its favour, even when it is not the cheapest tenderer.

This raises the question of the philosophical use which a Government can make of the broad powers given to it in modern society. It is a chronic problem that legislation gives wide discretionary powers to Governments, to the point where one reaches the Alice in Wonderland stage of words meaning anything one wants them to mean. Clause 3 of this Bill seems to give the Government power to interpret the Act in its own favour and declare it to mean anything it wants it to mean. I do recall various occasions in the past when I have said, when broad powers have been incorporated into Bills, that, of course, in practice a sensible Government would behave this way or that way. People have already replied, 'Well, Ritson you cannot really say that. A Bill has to stand on its own. You cannot pass a Bill or propose an amendment on the assumption that the Bill does not have to say exactly what it means because sensible people will behave in this way or that way.' I think that we have reached this stage here.

The Hon. Mr Davis pointed out that in other jurisdictions there have been some additional words (correct me if I am wrong, Mr Davis) in definition clauses to act as a guideline as to what the definition must mean. The list of examples, for instance, of approved Government instrumentalities would perhaps act as guidelines for interpretation and limit the authority of the Government to interpret the Bill as meaning anything it wants it to mean for the purpose of giving unfair commercial advantage to the State machine.

I ask the Attorney-General whether he is aware of the interstate examples referred to by the Hon. Mr Davis. Would he object to the insertion of any policy guidelines or examples of Government instrumentalities into this clause and, if he would object, why would he?

The Hon. C.J. SUMNER: There is no necessity for any policy guidelines other than those I have outlined. They will be declared publicly in the *Government Gazette* and will be available to the Hon. Dr Ritson to complain about or do whatever else he likes about them when they are declared. However, the general policy is one which will be adopted in determining which Government instrumentalities will be exempt, and I would have thought that that was a fairly simple proposition, even for honourable members. However, it lies in the co-operation of the private sector in general that that is the criterion which will determine whether or not a Government instrumentality, as such, is exempt from the duty and whether an ordinary Government department, such as the Attorney-General's Department or the Department of Consumer Affairs will be exempt from the duty. I put to the Hon. Dr Ritson that it seems to me to be a pointless exercise. It seems to be a pointless exercise to appropriate revenue, part of which has been obtained from this, to pay the imposition of f.i.d. on a Government department.

The Hon. R.J. Ritson: But the Hon. Mr Griffin explained the point of that to you.

The Hon. C.J. SUMNER: Well, I do not accept that.

The Hon. R.C. DeGARIS: The Attorney-General stated that the Woods and Forests Department would be subject to f.i.d. because it was a profitable organisation but that the Public Buildings Department would not be subject to that duty. Was the Attorney implying that the P.B.D. was not a profitable organisation?

The Hon. C.J. SUMNER: The honourable member's facetiousness at this time of the evening is not greatly appreciated by members who are trying to take a serious interest in this Bill. The P.B.D. has a traditional role. It does work of a highly skilled nature, such as the restoration of the Constitutional Museum, and it has a highly skilled workforce. It is important to Government that that workforce be retained. The Government believes that that work should be undertaken to the benefit of the community. We should retain a department which carries out public works for the Government, but that does not mean, as honourable members know, that that Department does all the Government's work.

Clearly, a great bulk of Government building works are carried out by the private sector, although the P.B.D. is an important aspect of the Government's construction section. That Department is not run on commercial lines in the sense that it has a profit and loss account or balance sheet. That is inconsistent with the role of the P.B.D. Likewise, the Crown Law Office is not a private legal firm which determines what profit can be made for the Government in carrying out work for the Government. The P.B.D. does work for the Government, and to impose the f.i.d. on that Department as on other departments would be quite pointless.

The Hon. R.I. LUCAS: I refer to the South Australian Film Corporation. The Attorney has just said why the P.B.D. should not have to pay the f.i.d.—because it does work for the Government. The South Australian Film Corporation is in an unusual situation: clearly, it does work for respective Government departments (on my understanding) but it also competes on the open market in a commercial fashion with other film producers. In effect, the Corporation has two bob each way—it is a bit like the P.B.D. and a bit like the Woods and Forests Department in that it has a commercial arm and, to use the Attorney's words, it does work for the Government. That is the reason why the P.B.D. will not have to pay the f.i.d. Therefore, will the Attorney say whether it is likely that the South Australian Film Corporation will have to pay this duty?

The Hon. C.J. SUMNER: It is likely that the South Australian Film Corporation will have to pay the duty. The Corporation competes quite openly with certain private film makers and, although it has the potential for profit making, I would have thought it is fairly obvious that it is in a different position from the Public Buildings Department. The Public Buildings Department is a Government department and it always has been.

The Hon. L.H. Davis: So is the Woods and Forests Department.

The Hon. C.J. SUMNER: The Public Buildings Department is like the Crown Law Office; one is not going to impose f.i.d. on the Crown Law Office. It seems to me to be absurd for honourable members opposite to be arguing that they would impose f.i.d. on Government departments and then appropriate the revenue that was obtained in order to pay for it. That just seems to me to be a pointless exercise.

I must confess that I am a little surprised at the honourable member's obtuseness in this matter. I would have thought that I had explained the criteria which will be used. The objective of the definition in the subsequent clause is to exempt Government departments, for the reasons I have outlined. On the other hand the South Australian Film Corporation, admittedly set up as an instrumentality of the Crown, is a corporation with certain independent statutory charters and certain independent and discretionary powers to be involved in a production of film and television programmes. In that capacity it can be characterised as being involved in commercial activity.

The Hon. L.H. DAVIS: I am still somewhat puzzled by the distinction drawn by the Leader between the Woods and Forests Department and the Public Buildings Department. I refer to another tax that is paid by Government departments, namely, pay-roll tax; that is paid notionally by all departments to Government, and they certainly get a refund of that pay-roll tax in due course. Obviously, I fail to see why departments and Government instrumentalities which have commercial operations cannot have a similar arrangement in respect of the payment of a financial institutions duty.

If we are talking about accountability, effectiveness and efficiency of commercial operations in departments of Government or approved Government instrumentalities, including statutory authorities and other agencies of the Crown, then sure, it is common sense to put them on the same footing as their competitors in the private sector. In that way, it is providing a measure of their performance, effectiveness and efficiency. There is no question in my mind that the Public Buildings Department, at least in some of its operations, does compete directly with the private sector. Simply, the point I am making to the Leader is that the Government should recognise that, and indicate that that Department would be subject to the financial institutions duty.

The CHAIRMAN: Does the Attorney wish to reply to that?

The Hon. C.J. SUMNER: No, Mr Chairman. I have already answered it.

The Hon. C.M. HILL: Can the Attorney give a clear undertaking that the South Australian Housing Trust will be exempt? The Trust has about 44 000 homes the rent from which received last year exceeded $99 million. More than half the Trust's homes are leased to welfare tenants. It would be quite dastardly for the Trust to have to increase its rents payable by those tenants to cover a Government tax of this kind. Can the Attorney-General clarify the position in regard to the South Australian Housing Trust?

The Hon. C.J. SUMNER: I appreciate the honourable member's support for the Housing Trust. I am pleased to see that he is adopting a different approach than his colleague but, nevertheless, that is his right as a member to take a

different view from that of the Hon. Mr Davis. I appreciate his support very much and I will certainly convey his opinion to the Premier.

The Hon. C.M. HILL: Before the Committee votes on such an important clause, surely it should receive an undertaking. If such an undertaking cannot be given now, the signs are on the wall that welfare tenants spread throughout South Australia will be hit by more tax. The Hon. Mr Sumner laughs, but that is his response when people in poor circumstances will find their situation worse than it presently is. Surely when a Government instrumentality has rent receipts and other receipts exceeding $99 million in the last financial year, such an instrumentality must have been considered before this time. If it has not, it is a further glaring example of the lack of planning and in-depth study of the problems that should have been looked at before the Government introduced the Bill. Has the Housing Trust situation been considered by the Government in the preparation of this legislation? If so, what is the Government's intention if the Council passes the Bill?

The Hon. C.J. SUMNER: There is not a list that I can give the honourable member of those public instrumentalities that will be exempt. I have indicated the criteria that will be used in the preparation of those exemptions. I have thanked the honourable member for his contribution and apparent support in regard to exemption of the Housing Trust. Certainly, I will convey that view to the Treasurer. The honourable member seems to be taking a different view from that of his colleagues, so clearly he has not sorted out the matter with his Party colleagues, because the argument they were putting to me earlier was that f.i.d. should be imposed on the Public Buildings Department.

The Housing Trust competes with the private sector in some of its operations (not welfare activities) as it has a housing and construction operation as well as a rental operation of a commercial nature. On that basis the Hon. Mr Hill is at odds with his colleagues and their argument that f.i.d. should be imposed on the trust. The Hon. Mr Hill claims that it should not be imposed because of the welfare housing component. The matter is one for the Premier in accordance with the criteria in the Bill, and the explanation that I have given tonight to determine which instrumentalities should be exempt from duty. That will be a matter determined by the Government based on whether or not it is a Government Department involved in a commercial operation and competes with the private sector, and there may be some special policy reasons in the case of the Trust, for the reasons raised by the honourable member in exempting it from f.i.d. I appreciate his concern.

The Hon. C.M. HILL: The Minister is simply drawing red herrings across the trail in mentioning what appears to him to be my apparent difference with other members on this side. That aspect of the debate is just weak rhetoric. I want to get down to the real nuts and bolts of this situation, namely, that 55 per cent of Housing Trust tenants are low-income people—deserted wives, pensioners, the unemployed, the sick, and generally people who are scratching to exist. Thank heavens we have a State instrumentality (namely, the Housing Trust) which provides a roof over the heads of such people. I do not think it is unreasonable, in a debate of this kind when we are being asked to support such a Bill, for the Government to be expected to declare its hand on whether or not it is going to throw its net over the Housing Trust. If it does that, the Housing Trust, like every other landlord in this State (and that is what the Housing Trust is in this sense—it is the biggest landlord in the State), needs a guarantee on what the Government intends to do. If it does not exempt the Housing Trust, like every other landlord the Trust will have no option but to increase rents being paid by these unfortunate people in the low-income bracket.

The cruel blow delivered to such people will be on the Government's head. If this Government is introducing legislation that will cause such people to pay higher rents when there is no need for it (the Government has only to say that it will exempt the Housing Trust) we need to know where we stand before we cast our votes, as a point of principle is at stake. What is the good of Government being asked to pass legislation when a question like this cannot be answered by the Government?

I will not accept that, in the months of review, investigation and research that the Government has done on this measure, the situation of the Housing Trust was not considered. Of course it has been, because of its high receipt value compared with such other instrumentalities as the Film Corporation. This Government comes into the Parliament from time to time as the champion of the little people and those on welfare. So, let them put up or shut up on this question. This is one time when it is being put on the spot. It is going to be the means by which these people will have their rents increased or not increased. If it is going to exempt the Trust, I commend the Government for it and I am sure that all Trust tenants occupying its 25 000 homes will be most grateful. Surely this is the place where it ought to be discussed, thrashed out and an undertaking given before we are asked to vote.

Parliament is being held to ransom. When we are expected to vote the Government will not give us any indication. After the Bill becomes law and the Trust tenants do not get any exemption, if we as Parliamentarians say, 'If we had known that would happen we would not have voted on it,' what would our constituents think of us for talking like that? It is quite ridiculous! The poor people will be adversely affected: the Government should come clean. Why be dishonest about the matter? So, I ask the Attorney-General to ascertain an answer to this question. We have time; we are here to work; time is on our side, and the ultimate goal of trying to help these people and seeing that they remain in a safe position economically is there.

The Hon. C.J. Sumner: Turn it up!

The Hon. C.M. HILL: The Hon. Mr Sumner says, 'Turn it up.' He should get out and look at some of these people and talk to them. He should see the 3 000 separated mothers who annually apply to the Housing Trust for rental accommodation. Sixty single parent families a week are applying to the Trust—it would be more now; that was the figure in the last year of the previous Government—and that is only one group of the whole welfare section of this community who, if they cannot get Housing Trust houses, simply cannot afford market rents, and are being housed as best the State can provide accommodation. They cannot all be housed because of the huge demand. There are long waiting lists, but the Trust is doing a tremendous job. The previous Government did a good job.

The CHAIRMAN: Let us not get too far away from the clause.

The Hon. C.M. HILL: I am trying to stress to the Minister, who thinks that it is funny to refer to these poor people, that the issue to them is vital and huge in their lifestyles. Coming back to the point of not expecting Parliament to vote on the measure without being told whether or not those people are being hit to leg, it is improper of the Government. The Government cannot say that it has not got its plans formulated when the legislation will operate nine days after Parliament passes it. The Government has its plans in some form, and within those plans the position of the South Australian Housing Trust must be known to the Treasurer. It may well be that the Attorney has to obtain the information from the Treasurer, but, certainly before

we are asked to vote on clauses which could mean that the Trust could be caught up in this net without being exempt. Parliament should have that knowledge, and that is what I am seeking.

The Hon. C.J. SUMNER: The honourable member has made a dramatic appeal in his characteristic fashion, but somewhat irrelevantly, I should add. I am not sure whether the honourable member is aware of the rate which is designed to be collected. I cannot give the honourable member a list of those institutions which have been declared by the Treasurer because they have not yet been declared.

I have provided the broad guidelines under which the exemptions and declarations for the purpose of exemptions will be used. As to the Housing Trust, I think the honourable member should consult with his colleagues, because they seem to be saying the Housing Trust should not be exempt.

The Hon. L.H. Davis: We did not say anything of the sort.

The Hon. C.J. SUMNER: The Hon. Mr Davis got very agitated when I said the P.B.D. would not be exempt.

The Hon. C.M. Hill: What has that got to do with welfare housing?

The Hon. C.J. SUMNER: I will explain later. He got very upset apparently about the P.B.D. not being exempted on the basis, he said, that it competes with the private sector. The Housing Trust competes with the private sector, obviously not necessarily in the welfare area but, as I said before, it has an area of operation in which it is in direct competition with the private sector. On the basis of what the Hon. Mr Davis said, the Hon. Mr Hill would suggest that the Housing Trust should, in fact, have the duty imposed upon it. But, no, he is not agreeing with Mr Davis. He is saying the Housing Trust should be exempt. I am very pleased that he has given an indication of his view on the topic.

The Hon. L.H. Davis: Answer the question.

The Hon. C.J. SUMNER: I have answered the question for all honourable members. I indicated some half an hour ago that there is no list of declarations made by the Treasurer. I was using the criteria that I outlined.

The Hon. L.H. Davis: What criteria?

The Hon. C.J. SUMNER: The basic criterion will be the extent of commercial operations of the Government instrumentality and how it is categorised in terms of being involved in commercial activities. That is the broad principle with which we are dealing. Now, it will be up to the Treasurer.

All honourable members know that there are a large number of Government instrumentalities. I do not have the list of all of them—whether some will be declared and some will not. They will no doubt be the subject of discussion within the Parliament and will be made public. They will be declared in the *Gazette*. Then the Hon. Mr Hill, when he sees what is declared, will be able to come to the Parliament and ask me questions about it. He will be able to move motions of protest: he will have a wonderful time expressing his democratic right.

I should also say to the honourable member, in view of his concern about this matter, that, assuming that $50 a week rent is paid to the Housing Trust, and assuming the Trust banks the money and wants to impose that directly upon the client, it will impose 2c a week—$1 a year. The honourable member is suggesting that that is horrendous, and that it will apparently cause the welfare tenants of the Housing Trust to be on the breadline. The absurdity of his argument, I think, is exemplified by what I have just said. A determination has not been made in relation to the Housing Trust. If it is made, then that is the order of the imposition.

In view of the small amount, it would not involve an increase in Housing Trust rents, as the honourable member has tried to dramatically portray to the Committee. I indicated, and the honourable member can do some sums if he likes, that at a rent of $50 a week, if passed on through the chain, it would be 2c.

I appreciate the honourable member's point of view and I will convey it to the Treasurer. I note that the honourable member is in opposition to his colleagues on this point. The matter will be determined by the Government once the Bill has passed.

The Hon. L.H. DAVIS: The Attorney has spent some time explaining the meaning of 'approved Government instrumentality'. However, there is no reference to a possible local government exemption in relation to financial institutions duty. I do not know whether the Attorney is aware that in both New South Wales and Victoria the commercial operations of local government attract financial institutions duty, whereas the non-commercial operations of local government do not. The Victorian legislation describes a business undertaking of local government as a business of supplying electricity or water or any other prescribed business carried on by a council or a municipality in respect of which it is required to keep a separate bank account. The legislation in Victoria makes specific note of the fact that local government is an important arm of government (the third tier of government, so-called).

I am curious to know why the Government has chosen to ignore local government operations altogether. Local government has not been identified in the definitions clause or in any other clause of the Bill. I believe that a distinction should have been made between commercial and non-commercial operations, as is the case in the definitions clause in relation to Government departments and Government instrumentalities. Will the Attorney advise the Committee whether discussions were held with local government in relation to its attitude to f.i.d.? Is the Attorney aware of the total amount of receipts of local government operations, both commercial and non-commercial? Why did not the Attorney include that area, given that both New South Wales and Victoria have included it? Were discussions held with Treasury officials in New South Wales and Victoria, given that both those States specifically addressed the important area of local government?

The Hon. C.J. SUMNER: The situation is made clear in my second reading explanation. I am surprised that the honourable member has not perused it with the usual attention that he gives other matters that come into this Chamber. No special treatment has been given to local authorities. It has been the practice under stamp duties legislation to treat local authorities in the same way as taxpayers. That practice has been continued in the Bill.

The Hon. R.I. LUCAS: I have two specific questions in relation to the South Australian Urban Land Trust. As the Attorney would know, the Land Trust holds land and makes it available in rural and urban areas. In the past it has made land available to the private sector.

Also, as I understood it, there were a number of major transfers between the Urban Land Trust and the South Australian Housing Trust. I am not sure how the provisions have been operating in the past year but certainly two or three years ago large tracts of land were transferred. Whether or not those valuations were transferred between accounts, I am not sure. So, it appears possible that there are two conflicting types of arguments based on the Attorney's previous definitions.

I pose a similar question to the Attorney with respect to the State Clothing Corporation, which provides clothing for the State. I understand that it provides clothing for some Government departments or Government agencies, but possibly it also competes with other private manufacturers. So, once again, the State Clothing Corporation has a two-fold

role, bearing in mind the Attorney's reason, first, for the Public Buildings Department being exempt, that it does work for the Government and will not have to pay f.i.d., and, secondly, the Woods and Forests Department, which competes with private enterprise and therefore should pay. As both of those instrumentalities have dual roles, what would be the Attorney's view as to whether the State Clothing Corporation and the South Australian Urban Land Trust would be declared by the Treasurer to be approved Government instrumentalities?

The Hon. C.J. SUMNER: The basic criterion that I outlined is the one which still stands. When the Treasurer declares these matters, as he is bound to do under the Act, then honourable members can come along and have their say about it. I do not intend to speculate. I gave some examples as to how the Treasurer might make that sort of declaration but there is little point in trying to individually itemise every Government instrumentality in South Australia. At this moment, I am not in a position to do it. I do not intend to do it, and it will be a matter for the Treasurer to determine within the broad outline that I have indicated tonight, and on which we have now spent some hour or so.

The Hon. K.T. GRIFFIN: I move now to page 2 and refer to 'cash delivery companies'. I wish to make a brief comment on them being included in the Bill and being able to establish an exempt account. It was only the Liberal Opposition's amendments in the House of Assembly that prompted the Government to accede to the inclusion of cash delivery companies as bodies which could establish an exempt account and so avoid the consequences of double and treble duty resulting from the way in which they process salaries and wages, and cash transported on behalf of other people. I was pleased that the Government saw fit to accept that.

However, I know that there was other pressure behind the scenes, because two companies at least would have stood to pay out about $700 000 a year for financial institutions duty on their work of delivering cash, and making up payrolls. When one company indicated to the employees that there was no way that the company would bear that cost, the Transport Workers Union made some representations to the Government, and here we have cash delivery companies entitled to establish exempt accounts.

That was one significant amendment carried in the House of Assembly. I move now to the definition of 'charitable organisation'. I do not want to open up the whole debate on charities and the Government's or the Opposition's position in relation to this clause—I will do that in relation to a later clause. However, will the Attorney-General give some clear indication of what bodies may or may not be included in the definition of 'charitable organisation'? My view is that that definition could include bodies such as school councils and committees, whose accounts could be exempt from a financial institutions duty. The smaller school committees, boards and councils may not attract a significant financial institutions duty, but others may. I would like an assurance from the Attorney-General that my interpretation is correct.

I turn now to St Ann's College, which is apparently the only university college not exempt from sales tax. This is done on some basis that it is not an educational institution. I find that rather strange, but perhaps the Federal tax legislation has a different definition for 'educational body'. St Ann's College was established with a view to establishing and maintaining a residential college where members and such other persons as the council may from time to time determine may obtain educational, cultural, social and recreational advantages and facilities and opportunities for research. In addition, its other powers include the following:

(a) To become affiliated with the University of Adelaide.
(b) To award scholarships, bursaries, prizes, exhibitions and fellowships and to administer endowments.
(c) To appoint any person to the teaching, tutorial, administrative or domestic staff of the College and dismiss any such person.
(d) To raise or aid or contribute to the raising of funds for the use and benefit of the college whether for endowment, building, embellishment, improvement, education, recreation or any other purposes considered to be advantageous to the College and to establish and to encourage aid assist and take part in the establishment of funds exhibitions scholarships bursaries and prizes in connection with the College.
(e) To provide a library laboratory apparatus and all other things thought necessary or expedient by the Council for the promotion of the objects of the College.

It is fairly well known that St Ann's College provides not only residential accommodation for students at the University of Adelaide but also educational facilities in the form of tutorials and other aids to its residents. I would be surprised if St Ann's College did not qualify as a charitable organisation. Because of the position of this college under the Federal Sales Tax Act, I indicated that I would raise this matter. If there is any doubt at all in the Attorney-General's mind about St Ann's College qualifying as a charitable organisation then I will move an amendment which will put that matter beyond any doubt. Therefore, I raise two areas for the attention of the Attorney-General: the school committees, boards and councils involved in education and assistance to education facilities, and the question of St Ann's College.

The Hon. C.J. SUMNER: The definition picked up in the clause embraces the common law definition of 'charitable organisation'. Those desiring exemption apply to the Commissioner of Stamps and will be granted an exemption in accordance with the definition provided. That definition is basically a common law definition which has been inserted in the Bill. Therefore, what happens in relation to any particular organisation naturally will depend on the fairly long-standing common law definition.

That would be a matter for the Commissioner of Stamps to determine, no doubt, on legal advice provided by the Crown Solicitor. However, in the context of those general principles, my understanding would be that school councils and committees would qualify for the exemption but, as I say, it is a matter for determination by the Commissioner on the advice of the Crown Solicitor.

St Ann's College does not have any religious affiliations, and I understand that the other university colleges are exempt from sales tax because they fill the criterion of being educational institutions, being run by, in each of the three cases, the Uniting Church, the Anglican Church and the Roman Catholic Church. I understand that the exemption they get is because they are educational organisations, and that is the reason for the distinction between those colleges and St Ann's. I understand that the sales tax exemption is on the basis of the same sort of definition as is included in this Bill: a basic common law definition.

I must confess that I would have thought that those colleges were established for educational purposes, at least in part, but apparently that is not the view taken by the Federal department responsible for the administration of the sales tax legislation. That is why St Ann's College finds itself in the position of not being exempt and, under this Bill, if that interpretation is upheld in this State the situation presumably will be the same.

The Hon. K.T. GRIFFIN: I appreciate the Attorney-General's response in relation to school councils and committees. His view accords with the view which I expressed. In the light of that, I hope that the Commissioner of Stamps will take due notice of the fact that members on both sides at least agree on that point. I would have thought that St Ann's

College fell into the category of an educational institution. Certainly, it is not a religious institution, and it is probably not a charitable institution in the context of the old Elizabeth I Statute relating to charities. It may even fall within the definition of a benevolent institution, although I would have thought it was more likely to come under the definition of an educational institution.

I know that it is difficult to make laws to suit particular cases, but I would hope that there could be a firmer and more positive expression of what 'educational' may mean so that we can ascertain whether that definition covers St Anne's College. It would be quite sad if that college, which depends on gifts from benefactors as well as other income, had to pay f.i.d. because it provides a service to the student population associated with a university.

The Hon. C.J. SUMNER: I cannot be any more definite than I have been. I understand the honourable member's point, but I would have thought there was some case to argue in regard to institutions that come under the educational definition being a matter for the Commissioner of Stamps to determine on the advice of the Crown Solicitor. I am sure that the Commissioner will take into account the views that the honourable member has expressed in this Committee, and I intend to review the situation. However, I cannot give any hard and fast guarantee at this moment that St Anne's College will be exempt.

The Hon. L.H. DAVIS: I asked a question some time ago about local government and I stated that no reference was made to local government in the definition section, although that had been the case in New South Wales and Victoria. The Attorney dismissed my inquiry somewhat flippantly by referring me to the second reading explanation, which contains some 2½ lines on local government. That is all the attention that local government was given in this Bill.

I ask once again what estimated tax will be taken from local councils as a result of the implementation of the Act. I understand that there are 127 councils throughout South Australia and, quite clearly, many councils in the metropolitan area have annual rate revenues that are well in excess of $1 million. Of course, councils bank other receipts during the year, so the amount will be quite substantial. What is the expected take from local government; have representations been made to the Government by local government authorities; and, thirdly, has consideration been given to exempting non-commercial operations?

The Hon. C.J. SUMNER: In answer to the last question, the Government does not believe that advantage should be given to local government. I cannot say what the revenue gain will be without some knowledge of the annual revenue of local government. I believe that local government has made specific representations to the Government on this matter, although I must confess that, as I was about to attend an opening of the Serbian Day function organised by the Slovak Club during the dinner break with the Hon. Mr Hill, I saw the Secretary-General of the Local Government Association in the corridor.

He said 'Hello' to me. He was with the Hon. Mr Milne who wanted to engage Mr Hullick and me in conversation, but I had to tell them that I was in a desperate hurry to leave with Mr Hill because of this important speech that I had to give.

The Hon. C.M. Hill: He sat in the Gallery most of the afternoon. He was looking at you.

The Hon. R.I. Lucas: He looked most concerned.

The Hon. C.J. SUMNER: He may have been concerned; we are all concerned from time to time about various things. I suggested to the Hon. Mr Milne that the best proposition would be for him to take Mr Hullick to see the Premier and Treasurer, who has the carriage of this legislation. The Hon. Mr Milne said that that was a good idea. I cannot say what happened after that. I do not know whether or not the Hon. Mr Milne and Mr Hullick caught up with the Premier, but I am afraid that I have to advise the Committee that, if they did catch up with him, the Premier has not advised me of any change in Government policy. I regret to have to advise the Committee that I cannot accede to the suggestions made by the Hon. Mr Davis.

The Hon. R.I. LUCAS: I appreciate that the Attorney and the shadow Attorney obviously understood what they meant by the precedents of common law cases with respect to definitions of charitable organisations. I have a rough idea from my own understanding of what 'charitable, religious and educational' means, but I wonder whether the Attorney might give me a brief run-down on exactly what are these common law provisions that he is talking about, in particular, with respect to what benevolent institutions might be.

I tie that in in relation to organisations like the Boy Scouts, Girl Guides, Lions, Rotary, the Conservation Council, the Ratepayers Association, resident action groups, and so on—there is a whole series of them. Perhaps in the first instance the Attorney could give a non-lawyer a bit of a run-down of these common law provisions and established practices so that in a better fashion I might be able to ask the Attorney some questions with respect to many of these organisations, which I am sure do not come within the ambit of 'charitable, religious or educational': if those organisations come within any area at all, it would probably be within the definition of 'benevolent'.

The Hon. C.J. SUMNER: The definition of 'charitable organisation' employed in this Bill accords with a well accepted definition of what constitutes a 'charity' at common law. Generally, a charity comprises four principal divisions: trusts for the relief of poverty; trusts for the advancement of education; trusts for the advancement of religion; and trusts for other purposes beneficial to the community, not falling under the preceeding heads—*Income Tax Special Purpose Commissioners v Pemsel* [1891] A.C.531, per Lord Macnaughten. The definition in the Bill is a modern equivalent of the traditional list. I can also indicate that from *Halsbury's Laws of England*, which is a conpendium of law—

The Hon. K.T. Griffin: The third or fourth edition?

The Hon. C.J. SUMNER: I assume that it is from the fourth edition.

The Hon. R.I. Lucas: It sounds like a non-lawyer should get one!

The Hon. C.J. SUMNER: A non-lawyer should have a Halsbury.

The Hon. K.T. Griffin: What—all the volumes?

The Hon. C.J. SUMNER: I have the third edition. Halsbury defined these four elements that I have outlined, as follows:

'Charitable purposes'—the relief of aged and poor. Relief of poverty generally.

'Religious purposes'—the promotion of spiritual teaching in the wider sense and the maintenance of doctrines upon which that teaching rests and the observance of those doctrines.

'Educational purposes'—the advancement and promotion of education and learning generally.

'Benevolent purposes'—general head for all other purposes beneficial to the community, or the advancement of aspects of general public utility, for instance, the National Trust.

The Hon. R.I. Lucas: Is that like a public benefit?

The Hon. C.J. SUMNER: It is a catch-all clause. What has to happen is that they can make a determination in respect of any institution to see whether it complies with that broad definition and the more specified definition that I have given. If there is doubt about it and an organisation wishes to claim an exemption, it would have to test the

matter in the courts. This is at the worst end of the scale, and this definition is used to determine the charitable organisation. If there is a disagreement, the matter goes to the court, which investigates the purposes of the organisation to see whether it meets the criteria. It is not possible to give a detailed analysis or list of every organisation in South Australia that comes within the definition. They are the general principles upon which the Commissioner of Stamps would operate.

The Hon. R.I. LUCAS: I thank the Attorney for that information, because as a non-lawyer it gives me a better understanding. I suppose groups like Rotary, Lions, Apex and Kiwanis would come under the benevolent provisions. It appears from what the Attorney has said that they have a good chance of obtaining exemption. I wonder about groups such as the Conservation Council and the Nature Conservation Society, because it can be argued their work is for the public benefit and as a utility for the community, but there could be dispute by others as to whether their role is a utility to the community. Has the Attorney a view about such organisations?

The Hon. C.J. SUMNER: It seems to be a fairly futile business to speculate one way or the other as to who might come within the scope of 'charitable purposes', just as it was a futile exercise to try to determine each Government Department that would be exempt from the duty. It seems to me to be even less meritorious in the case of charities because of the fact that 'charitable purposes' are already subject to much case law and definition in the courts.

That is ultimately where the matter would have to be determined. I can add further to the honourable member's information on the topic by saying that Rotary, Apex and other service clubs would be able to qualify only under the heading of 'benevolent purposes'.

The word 'benevolent' in Black's Dictionary is defined as 'the doing of a kind or helpful action towards another, under no obligation except an ethical one'. It is a broader term than charity, which it includes and with which it is frequently used synonomously. 'Charity' in its legal sense implies without consideration or expectation of return. 'Benevolence' applies to any act which is prompted by or has as its object the well-being of others. That information was provided to me by the Commissioner of Stamps' legal officer and amplifies the definition which I provided earlier. The definition operates for the purpose of sales tax and similar criteria would be applied in relation to this legislation. I am unable to go through point by point for all institutions and determine whether or not they are exempt.The matter would have to be examined by the Commisioner within the criteria I have outlined.

The Hon. R.I. LUCAS: In respect of religion organisations under the definition 'charitable organisations', the recent High Court decision in respect of the Scientology movement may affect the definition of religious organisations. Will the result of that High Court decision mean that the Scientology movement, and other such organisations with considerable commercial dealings, will be exempt from the financial institutions duty under the definition of religious and charitable organisations?

The Hon. C.J. SUMNER: I am not in a position to answer that question.I have not studied the judgment of the High Court in this matter but, if Scientology can be characterised as an organisation or body established on a non-profit basis for charitable, religious or benevolent purposes, it will qualify for exemption under the legislation. It would have to be properly characterised as a religious body established for religious purposes. It would not qualify under charitable, educational, or benevolent purposes. However, it may qualify under the criteria for religious purposes but it has to be a body established on a non-profit basis. If the Scientology organisation is involved in commercial activity and is involved in profit-making, it would not be entitled to an exemption.

But if they are non-profit, one would clearly have to study the High Court case to see how it was determined that practising scientology was practising a religion and to what extent the body was established for religious purposes. I cannot give a definite answer to it without having studied the judgment in greater detail; indeed, the judgment may not conclude this issue in any event, but the honourable member said that the organisation was involved in commercial activities which had profit as their end. If this were the case, the organisation would not qualify for the exemption.

The Hon. K.T. GRIFFIN: It would seem to satisfy the questions on that page, but there is an amendment which is the first of a series of amendments related to exemptions for specific trust funds. What I propose, subject to your direction, Mr Acting Chairman, is to move this amendment; when that has been disposed of we can move to page 3, dealing with whatever clauses are there, and then on to page 4, and so on. I understand that, if I move that amendment and we debate it and determine the Committee's attitude on it, it will not prohibit us from continuing further with questions and comments on later parts of this clause. I move the following suggested amendment:

Page 2, lines 40 and 41—delete the words 'or *(e)* a trust fund account'.

In a sense, this is consequential on a major amendment relating to exemption for trust accounts, and relates to the later clause which I will seek to amend (clause 34). One of the problems with the present clause 34 is that it refers to an eligible person's being able to make application to the Commissioner for approval of an account and for that account to be determined as a trust fund account, and one of the accounts in relation to which an eligible person may make an application is a prescribed trust account required to be kept under a prescribed Act. There is no indication in the second reading explanation or anywhere else in the Bill as to what is to be a prescribed trust account, nor as to what is to be a prescribed Act. That concerns me. A number of Acts of Parliament require specified persons to keep a trust account and to pay moneys received from that person into a trust account.

Other parts of the Bill include a reference to a liquidator and to the ability of the liquidator to apply to open an exempt account. So, it is recognised that a liquidator has the express authority under the Companies (South Australia) Code and, in fact, is required under that Code to open a trust account in respect of a particular liquidation.

The Bill recognises that moneys paid into an exempt account by a liquidator of a company will be exempt when paid into that account. So, we already recognise specifically in the Bill the company liquidator. However, there are other Acts of Parliament to which I should specifically refer. One is the Legal Practioners Act and the other is the Land and Business Agents Act. The Legal Practioners Act requires lawyers to open a trust account and to pay all clients' funds into that trust account. The Land and Business Agents Act requires real estate agents and land brokers to open trust accounts and to pay all clients' money into those trust accounts.

With each of those groups of professional people the obligation is positive and the costs of opening and maintaining trust accounts are borne by the lawyers, land brokers and real estate agents out of their own pockets. If financial institutions duty is to be imposed on funds which pass through a trust account, then it will not be the client who pays it so much as the lawyer, land broker or real estate agent.

There is another problem, too. Even if the duty could be passed on, and I suppose in some large transactions it may be, there is the potential for up to treble duty. I was talking to a land broker today about a settlement for which he was responsible last week. The consideration was $206 000. The money went from the purchaser into the purchaser's broker's trust account. It then went from that account to the vendor's broker's account. After settlement it was paid to the vendor. On the transfer, which was lodged for registration at the Lands Titles Office, there was $7 170 stamp duty. That is not the end of it. Land Titles office registration fees totalled $414. That cannot be said to cover the cost of registration; it is a straight impost.

If financial institutions duty had been payable on those three transactions, from purchaser to purchaser's broker's trust account, to vendor's broker's trust account to vendor, three lots of financial institutions duty would have been involved, totalling $248.93. If we are going to have financial institutions duty there is no quarrel, I suppose, with the fact that it is the ultimate recipient of settlement moneys who should have to pay f.i.d., which would have been $83 on this settlement. So, we have $166 being paid because the money passed through two trust accounts.

What I said in my second reading explanation I repeat briefly now, although I may have to repeat it later on clause 34, that for this particular settlement the purchaser could have drawn a cheque payable to the ultimate vendor.

The cheque could have by-passed the two trust accounts. That is inappropriate for a number of reasons. First, there is no audit of that procedure, and there is an opportunity for an unscrupulous person to manipulate the transaction. If the money had been paid into a lawyer's trust account, there would have been an advantage from interest received on the amounts in the trust account, even after only a day or two. That interest would be applied partly to the Legal Services Commission for legal aid and partly to the Guarantee Fund to protect clients of solicitors who default.

There are a number of reasons why, if trust accounts are by-passed, there could well be problems. In that event the Government does not get the duty, anyway. While that will not occur with all transactions, it will certainly occur in relation to a significant number. I have some other figures that are interesting: in the first four months of this year 15 017 transfers were lodged for registration at the Lands Titles Office. Some of those transfers occurred in consequence of a will and for no consideration, and so on. The majority of them would have been for some consideration.

If one takes an average price of $45 000, which is probably much less than the average consideration for these transactions, the financial institutions duty would be $270 000 (occurring once). If the moneys pass through one trust account it is $540 000, and if the moneys pass through two trust accounts it is $270 000 trebled. As I have indicated, the duty can be avoided by by-passing the trust account.

In the first four months of this year 14 142 mortgages were lodged at the Lands Titles Office, totalling $542.3 million. The financial institutions duty on a once-only basis amounts to $209 600. Presumably, some of that money would have passed through a broker's or solicitor's trust account (perhaps even two trust accounts) before settlement. Therefore, it can be seen that a substantial amount of money is involved in the doubling up process of money passing through trust accounts. About the same number (14 971) of mortgages were discharged and lodged in the Lands Titles Office in that period, but I do not have any financial information in relation to those discharges. I strongly believe that there should be a provision to specifically provide that lawyers', land brokers' and real estate agents' trust accounts are exempt under an appropriate mechanism. I will be moving such an amendment in relation to clause 34. That will avoid the disincentive for payment of the financial institutions duty.

These trust accounts are maintained for public and professional purposes and the money passing through those trust accounts is not the money of the lawyers, land brokers or real estate agents, but the money of clients. While the amendment I move could be regarded as a consequential amendment to clause 34, it is appropriate that I move it now.

The Hon. C.J. SUMNER: It is opposed by the Government. Trust accounts are not exempt in New South Wales and Victoria. If they were exempt there could be a capacity to avoid the effect of the legislation by there not being any control over what goes into trust accounts. However, in any event, the fact is that the duty is designed to be paid on the receipt of money into an account in a financial institution. The duty is levied at a very low rate so that each transaction is in fact picked up, and the Government sees no justification for the exemption of trust accounts held by lawyers or the other people that the honourable member has mentioned.

The Committee divided on the suggested amendment:

Ayes (12)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, I. Gilfillan, K.T. Griffin (teller), C.M. Hill, Diana Laidlaw, R.I. Lucas, K.L. Milne, and R.J. Ritson.

Noes (9)—The Hons Frank Blevins, G.L. Bruce, B.A. Chatterton, J.R. Cornwall, C.W. Creedon, M.S. Feleppa, Anne Levy, C.J. Sumner (teller), and Barbara Wiese.

Majority of 3 for the Ayes.

Suggested amendment thus carried.

The Hon. K.T. GRIFFIN: I do not have any comments about page 3, so before I move to page 4 I defer to any member who wishes to ask questions about matters relating to page 3. It seems that no-one has any remarks to make about that page. Therefore, I move the following suggested amendment:

Page 4, line 24— After '31' insert 'or 34'.

This suggested amendment is consequential upon the vote just taken in the sense that it refers to clause 34 and is designed to include in the definition of 'special account' the accounts to which I have referred and which will be considered in clause 34: that is, lawyers trust accounts, real estate agents trust accounts, land brokers trust accounts, trust accounts of dealers in the short term money market, and trust accounts of others that might be prescribed under 'prescribed accounts'.

The Hon. C.J. SUMNER: I oppose the amendment, but it is consequential upon the amendment just passed. I suppose we will have to argue about it in some other form.

Suggested amendment carried.

The Hon. K.T. GRIFFIN: I move the following suggested amendment:

Insert new definition as follows:

'sporting organisation' means a body established on a non-profit basis for the purpose of providing facilities for, or other wise promoting, sport, and includes a trustee who holds property on behalf of such a body:

This amendment relates to the inclusion of sporting organisations as organisations that might apply to have an exempt account established. This amendment was moved in the House of Assembly but regrettably was not accepted by the Government. It is moved again here in the hope that, since it has been considered in the House of Assembly, the Government may have further considered the matter and had a change of heart.

The Opposition believes that this is an important amendment, because it will allow a whole range of sporting and recreational clubs, such as cricket clubs, tennis clubs, athletic clubs, and a variety of others, all of which are voluntary

organisations providing facilities for recreation, sport, enjoyment and leisure and are bodies which we ought to be encouraging in the work they do. It is a very important aspect of South Australian life that people have adequate facilities to participate in sport, leisure and recreational activities.

I am not suggesting that this would extend to some of the health and fitness facilities that are run on a commercial basis, but only those clubs which are run on a non-profit basis and which operate for the purpose of providing facilities for their members to engage in sport. If the amendment is carried, it will mean that funds would pass through an exempt account of the sporting organisation and would not be dutiable.

The Hon. K.L. MILNE: We oppose this amendment. We simply feel that the definition is too difficult. Once one starts, it is difficult to know where to stop, and one has the dilemma of what to do about large football clubs with a bar, bar takings, and big fundraising efforts. Frankly, I do not think that the $1 in $10 000 duty will worry very many of them.

The Hon. C.J. SUMNER: The Government opposes this amendment. I agree with the reasons outlined by the Hon. Mr Milne, and I ask him to apply those reasons to the previous amendment at some time in the future when the matter is considered.

The Hon. L.H. DAVIS: I rise to indicate my support for the Hon. Mr Griffin's amendment. I would be interested if the Leader could inform the Committee what representations were made by sporting organisations as regards exemption from the operation of the financial institutions duty.

The Hon. C.J. SUMNER: I do not know.

The Hon. L.H. Davis: That is a good answer.

The Hon. C.J. SUMNER: It is a reasonable answer. I did not conduct the negotiations in relation to this Bill. I do not know personally what representations were made to Treasury officials. I cannot recall any specific representations being made on this point.

The Hon. L.H. DAVIS: I am disappointed with that answer. I do not accept that it is adequate, nor do I accept the Hon. Mr Milne's observation that it is just too hard to define. On that basis, much legislation would never see the light of day. In fact, we have already seen in the definitions clause the definition of an approved Government instrumentality, which I would have thought was far vaguer in its definition than is the definition proposed by the Hon. Mr Griffin as regards sporting organisations.

The Hon. R.I. LUCAS: Will the Attorney-General indicate whether any of these sporting and recreational groups would have any hope of qualifying under the benevolent provisions of charitable organisations? It would appear to be a fairly long bow to be drawn for the majority of them to get up an argument in that respect. I guess that the argument would have to be put along the lines of a utility to the community leading to public fitness, and that sort of argument. I would be interested in the Attorney-General's response. I know that he cannot say that such and such a cricket club or such and such an athletics club can argue that it can be given an exemption by the Commissioner.

The Hon. L.H. Davis: I would have thought that the Enfield Harriers would be exempt.

The Hon. R.I. LUCAS: That was suggested, but perhaps athletics groups, get fit groups, and clubs of that type would be exempt. The Attorney referred earlier to community benefit and that sort of thing. What are the Attorney's views on an argument along the line that that sort of group could present itself with some chance of success to the Commissioner of Stamps under the definition of 'benevolent institution'?

The Hon. C.J. SUMNER: I doubt it. Sporting organisations would get an exemption from other charges, such as State or Federal sales tax and the like. I imagine that, if sporting organisations thought it was worth a challenge, they would have taken up the matter under sales tax legislation in order to establish that they were charitable organisations. I assume that the Hon. Mr Griffin agrees with what I am saying, because if he did not agree he would not have moved to insert the new clause. I doubt whether those groups would qualify under the definition of a benevolent institution for the reason that I outlined previously.

The Hon. R.I. LUCAS: I will not prolong discussion in regard to specific examples, because I know that the Attorney cannot respond to specifics, but I wonder whether the Royal Life Saving Society and the Surf Life Saving Association would be exempt. I suppose the argument would be that the public utility they undertake is the saving of life or prevention of loss of life on our beaches, yet I suppose we commonly think of them as sporting groups. Would those societies come under the definition of a benevolent institution?

The Hon. C.J. SUMNER: It would not be proper for me to speculate on that. I can understand the point that the Hon. Mr Lucas is making.

The Hon. L.H. Davis: You're all at sea.

The Hon. C.J. SUMNER: No, I am not. As I said previously, sporting organisations, as intended to be defined by the Hon. Mr Griffin, would not be covered under the existing legislation. That is the honourable member's view and that is why he has moved the amendment, so such clubs will not be covered by the legislation introduced by the Government; nor would other sporting organisations be covered. Perhaps an argument could be put in relation to some organisations—those involved in surf lifesaving and the like—and it is possible that those clubs could be drawn within the definition of a charitable organisation, but that would be a matter for inquiry by the Commissioner of Stamps on application or ultimately by a court if the matter had to go that far. The nature of the organisation would have to be considered, and it would have to be decided whether it could properly be characterised as a charitable institution. I can say absolutely that they would not qualify under the charitable organisation exemptions. It would not be proper for me to speculate beyond that.

The Committee divided on the suggested amendment:

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

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

Majority of 1 for the Noes.

Suggested amendment thus negatived.

The Hon. J.C. BURDETT: I raise a question in regard to the definition on page 4 of 'term deposit' in regard to this Part of the Bill. Of course, any definition is designed to be applied to the activities of the Bill. 'Term deposit' is defined as follows:

'term deposit' means a deposit of money with a financial institution for a specified period, or a specified period and then at call, in relation to which deposit the financial institution, instead of crediting a current account kept by the financial institution, issues a certificate of deposit or similar record of deposit:

I refer to clause 5 (7), which provides:

Where money is invested on term deposit—

then we go back to the definition—

with a financial institution and the money is not repaid immediately and in full upon the expiration of the term, the non-

repayment shall be regarded as a receipt by the financial institution of the amount retained on deposit or at call.

Where money is invested for a specified period of three months and then held at call, it is a term deposit within the meaning of the definition. If that situation arose in regard to clause 5 (7) with money being invested for a month and then at call, at the expiry of the month the money is still there but after a period a call was made. Would that be regarded as a receipt in regard to the definition of 'term deposit'? Would the interpretation be that it would not be a receipt because it still remains as a term deposit and that that would apply until the call was made? Does it become a receipt or does the definition hold that it is still a term deposit until the call is made?

The Hon. C.J. SUMNER: It does not become a receipt at the expiration of the period, but the duty is payable on the initial deposit.

The Hon. L.H. DAVIS: In regard to the definition of 'term deposit' there is uncertainty in banking circles whether it would be designated as an account. I understand that at least one Commissioner of Stamps in another State has considered term deposits to be accounts for the purposes of the f.i.d. legislation. I have not had an opportunity to check with any authority whether a recent decision in the High Court suggested that a term deposit should not be deemed an account. Can the Attorney clarify the situation?

The Hon. C.J. SUMNER: I understand that it is not an account in the normally accepted meaning of the word. Nevertheless, it is a payment caught by the legislation.

The Hon. L.H. DAVIS: Is the Attorney aware that in New South Wales and/or Victoria it has been suggested at least on one occasion that the Commissioner of Stamps has deemed a term deposit to be an account for the purposes of the application of the Act?

The Hon. C.J. SUMNER: My advice is that it would be taken into consideration.

The Hon. C.M. HILL: I refer to a situation where a person has $100 000 on deposit with his bank for three months as a term deposit and, at the expiry date when the bank gets in touch with him, he indicates that he does not need the money for a further fortnight and that therefore the money could remain with the same bank for a 14-day term. The interest rate is different for the 14 days than for the previous three months. In that simple example, is this duty to be applied a second time at the point of expiry of the three months and the beginning of the 14-day period?

The Hon. C.J. SUMNER: That would be caught by the legislation.

The Hon. L.H. DAVIS: If a term deposit was to run for 30 days and then renewed, it would be deemed to be another term deposit according to common practice in banking circles. I seek an assurance from the Attorney-General on how he understands the position.

The Hon. C.J. SUMNER: Unfortunately, I have not had much experience in banking circles. If it is a renewed term, it would attract the duty. The example given by the Hon. Mr Hill related to a renewal for a certain period. The example that the Hon. Mr Burdett gave was not. Therefore, in the Hon. Mr Burdett's example the duty would not be payable whereas in the Hon. Mr Hill's example it would be payable.

The Hon. C.M. HILL: I strongly make the point that that situation is extremely unfair as the money simply stays in the bank account. It is only a question of a journal entry within the bank accounting system. The person did not receive the money and then reinvest for 14 days. The money remained with the bank. Yet, this Government is intending to deem that as a receipt.

The Hon. C.J. Sumner: It is renewed.

The Hon. C.M. HILL: I do not care about the Minister's explanation. It is extremely unfair for that citizen to be caught a second time by that duty. He is caught on the first occasion when he deposits the $100 000 for the three-month period and pays the duty. I have no argument against that in the context of the Bill and the Government's approach. However, I most certainly have an argument when the Government says that, at the end of the three months, if he simply wants to leave the money there for another 14 days, the Government will slug him a second time.

The Hon. K.L. Milne: That is not right, is it?

The Hon. C.M. HILL: That is not right.

The Hon. K.L. Milne: But will it happen?

The Hon. C.M. HILL: This is going to happen. This is following on the example that I gave to the Minister; so, I think that we should be very clear on this point.

The Hon. K.L. Milne: Are you not thinking that he left it for 14 days on call?

The Hon. C.M. HILL: No, what I gave was the simple example of where he leaves it on deposit for three months. He gets a call from his bank on the date of expiry (when the three months is up) and the bank says, 'Your deposit has expired today and we are crediting your account with so much interest; what do you want to do with the money? Which account should we credit? We are awaiting your instructions.' The client says, 'I do not need that money now as I thought that I would. Please leave it in the account for a further 14 days because the purposes for which I wanted it do not arise today.' He does not draw it out; so the bank does not receive it back. There is no receipt back from the bank; yet, on that day the Government gets the duty all over again.

That is extremely wrong and, what is more, grossly unfair, but I would think that the Hon. Mr Milne, being an accountant, would well appreciate this situation. It would happen in business and in accounting circles with clients all the time. I just said that a second lot of duty would apply; that is the point that I am making: that it is wrong. I understand that there is an amendment on file to meet that situation, and I intend to give that amendment my strongest support.

The Hon. K.L. MILNE: In actual practice, a person who places money on deposit for three months, when the three months was up would not renew it very often for 14 days. What that person would do is leave it on call, in which case it would not be caught. If the person renews it, it would be renewed probably for another three months or a period like that, when it would be caught.

I feel exactly the same as the Hon. Murray Hill. As I said in my speech, we do not want to do anything that would discourage investment. Even small amounts psychologically can make people annoyed and they will not invest. Will the Attorney-General tell us whether the case cited by the Hon. Murray Hill is likely to happen very often? Of course, when they get to know, the investors would just leave it there on call if it was a short period of just 14 days; the period between call money and deposit money would be relatively insignificant. Does that sort of transaction happen very often? I would have thought that in the case referred to by the Hon. Murray Hill the depositor would simply say, 'Well, leave it there for the time being,' and it would be treated as on call and come within the definition.

The Hon. C.J. SUMNER: What would happen is that when one deposits money the agreement that one has is for a fixed term and at call subsequently; if that is the arrangement on which one deposits the money, then, at the end of the fixed term it is not deemed to be a further receipt and is not caught by the duty. On the other hand, if one invests it for a fixed term of three years, three months or whatever, and then at the end of that period one wants to reinvest it for another three months or whatever, one is caught by the

duty. If at the end of the first three months one says, 'keep it on call', one is still caught by the duty.

The Hon. K.T. Griffin: Unless one agrees at the point of the initial deposit that at the end of the term it will be held at call.

The Hon. C.J. SUMNER: It has to be at the beginning when one deposits the money. One deposits it for three months and then, at the expiry of three months, at call. If that is the deal, that is done at the time one deposits the money.

The Hon. K.L. Milne: For example, in the prospectus.

The Hon. C.J. SUMNER: Whatever it is that one is responding to, if that is the condition upon which one invests the money (that is, the fixed term and then 'at call') and that is what one agreed with the institution at the time the money was invested, then, at the expiration of the fixed term, it does not become a further receipt upon which one pays duty.

On the other hand, if the agreement entered into is just for a fixed term, and one decides at the end of that fixed term not to take the money out, but to keep it there either for a further fixed term or if one then decides to keep it at call, one pays the duty. It may be in the case of the Hon. Mr Hill's example that the person who is doing this may be able to apply for the short-term money market rate, if in fact one was dealing with a sum of more than $50 000. So, in the example he gave of $100 000, that person might have been able to get the lower rate of duty pursuant to the short-term money market dealer's account. The duty in that circumstance, of course, is much lower to account for the situation where people massively deal in this sort of area.

But, if the example the Hon. Mr Hill gave was less than $50 000, yes, at the expiration of the fixed term, duty would be payable for the continuation of that money in the deposit, whether it was for a further fixed term or agreed by the depositor to be at call.

The Hon. R.C. DeGARIS: I know that we are dealing with clause 3, page 4, on the question of definition of 'term deposit', which means:

> . . . a deposit of money with a financial institution for a specified period, or a specified period and then at call, in relation to which deposit the financial institution, instead of crediting a current account kept by the financial institution, issues a certificate of deposit or similar record of deposit:

I know it is wrong to discuss another clause, but we really are debating, at this stage, also clause 5 (7). It is confusing. Clause 5 (7), in relation to 'term deposit', provides:

> Where money is invested on term deposit with a financial institution and the money is not repaid immediately and in full upon the expiration of the term, the non-repayment shall be regarded as a receipt by the financial institution of the amount retained on deposit or at call.

I think that there is some confusion regarding that. The Committee needs to look at that matter, particularly when it discusses clause 5, and the definition of 'term deposit'.

I support the Hon. Mr Hill in regard to the question he raised. It seems totally unfair that when a term deposit is renegotiated after 30 days for another month, it becomes another deposit. Also, I suggest there is some doubt as to whether a term deposit left on call is also not another deposit at that time.

The Hon. L.H. DAVIS: During the second reading debate I spent some time discussing the anomaly created by the definition of 'term deposit' and clause 5 (7). The Hon. Mr DeGaris is quite correct in saying that the definition of 'term deposit' and clause 5 (7) should be taken together. I draw honourable members' attention to the options available to investors. We should approach this matter in a practical fashion. How do people invest in financial institutions, be it a finance company, a credit union, a building society or a bank? Someone with, say, $25 000 can approach a financial institution and invest their money at call. The money can also be invested at 24 hours call or seven days call, and it can run on *ad infinitum*. The financial receipt duty would be payable only at the first point of investment, as long as it remained running on at call, whether it be 24 hours call or seven days call.

An investor can also fix his investment of, say, $25 000 for a specific period, and it can be for as short as 14 days. However, in the case of banks it is usually for 30 days, three months, six months, nine months, 12 months, and so on. During the second reading debate I made the point that the most common provision in banking circles is a three month deposit. People tend to invest for a little longer with finance companies: 12-month, two-year or three-year debentures. The options with building societies and credit unions are endless: investments can run from 14 days and 30 days fixed, through to longer periods of two and three years.

I believe that it is unfair to penalise the people who exercise financial prudence and caution and who are active in ensuring that they have maximum financial flexibility when dealing with their savings. Of course, many people may like to have their money at call because it gives them flexibility, although the interest rate may vary. One of the advantages in having a fixed-term deposit is the certainty of the rate of interest, which will not vary. However, there are some people who like to have the best of all worlds; that is, a fixed term with some flexibility, in which case they may invest in a short term of 30 or 60 days.

As the Bill now reads, if one takes the definition of 'term deposit' in conjunction with clause 5 (7), someone investing for a fixed term of 30 days and rolling the investment over every 30 days will attract financial institutions duty at every roll-over point. Therefore, someone investing $25 000 on a 30-day roll-over basis for a 12-month period will attract financial institutions duty in aggregate of 0.52 per cent.

The Hon. R.C. DeGaris: No—multiply it by 0.03 per cent.

The Hon. L.H. DAVIS: I am assuming that the duty will be 0.04 per cent. On $25 000 roll-over for 30 days the duty amounts to $130 per year. Let us assume that the investment attracts an interest rate of 10 per cent, which is quite realistic given the current investment climate. That means that the total interest received in 12 months will be $2 500. The investor will lose $130 in financial institutions duty, which means that 5 per cent of the investor's total income will be lost. That is an enormous amount.

Let us consider the three-month roll-over which is the most common fixed-term deposit in the banking system as I understand it. That will still amount to $50 a year in financial institutions duty on an investment of $25 000 because one will be paying in aggregate, 0.2 per cent in financial institutions duty, rolling it over on a three-monthly basis for the period of a year.

I do not believe that this roll-over penalty applies in New South Wales and Victoria. I telephoned interstate to ascertain that from one of the national banks and I have been assured that that is the case: it does not attract a roll-over tax. If the legislation, as the Attorney-General indicates to us tonight, does pick up these fixed-term roll-overs, and attracts this very heavy financial penalty, it will have two dramatic effects. First, it will change people's investment habits and limit their investment opportunities. That is an unfortunate state of affairs. Secondly, and most certainly, with the larger sums of money, we will see a flight of capital out of South Australia. One should not under-estimate the number of clients of banks, finance companies, building societies and credit unions who have a block of between $10 000 and $40 000 invested. Those people may be retired persons, people working all their lives, a whole range of people, and one should not under-estimate the consequences of this

measure. The Government has said, in introducing this legislation, that it is a broad-based tax, that it is fair and equitable because it is only levied at the rate of 0.04c in $1. Everyone says first off, 'Well, what does that mean?' It means very little, but in the examples that I have given, which have been confirmed by the Attorney-General's answers to questions just in the last 15 minutes, the facts are that the penalties suffered by individuals are absolutely horrendous.

I do not believe that the Government has contemplated that these fixed-term deposits should be picked up in this fashion, and I will be interested in the Attorney's response to this. As I have previously indicated, I have on file an amendment to clause 5 to delete subclause (7), because I believe that this will overcome the anomaly. However, if the Attorney-General does not believe that it will (and hopefully he agrees that this anomaly should be overcome) I would like to seek an assurance from the Government that it does not intend to penalise the renegotiation of term deposits, because the financial institutions involved have all told me that there is no crediting of an account, no raising of a credit at the end of the fixed term: it remains in Mr Smith's account; at the end of 30 days Mr Smith rings up and says 'I want to run it on for another 30 days,' and he receives an acknowledgment of that, either a certificate of deposit or a receipt.

There is nothing untoward in that, so the person who rolls over $25 000 on a monthly basis will pay $130 a year in financial institutions duty because he wants to be financially flexible and is trying to be financially prudent. A person who leaves it at call picks up about $10 per annum.

The Hon. K.T. Griffin: It's a half per cent of his interest rate.

The Hon. L.H. DAVIS: That is right; it is over 5 per cent of his total bundle of income for that year. This matter should be clarified here and now. The Attorney-General may prefer to discuss it now or leave it until we come to clause 5 (7).

In any event, he may be interested to know that this same problem arose in New South Wales where the Act was silent in respect of this matter. There was some confusion as to whether it applied and, in fact, in time it was made clear by the Government that it was not its intention to penalise the roll-over on term deposits.

The Hon. K.L. MILNE: Can the Attorney-General tell me what is the difference in principle between a deposit for a term at call agreed at the beginning, say, on a prospectus, and a deposit for a term that is allowed to remain at call because the circumstances have changed for some reason? The money is dealt with in exactly the same way—one was agreed at the beginning and one at the end of the term because of certain circumstances. I cannot see any difference. If it was invested on another application form, even at the same rate, for the same term, and the same debenture, then I agree that it is caught by the duty, but in the example just given I cannot see the difference.

The Hon. C.J. SUMNER: I have told honourable members what is intended. If it is a reinvestment at the end of the term period then it is caught by the duty. If one transferred funds from that deposit to another institution, one would be caught by the duty.

The Hon. L.H. Davis: But one is not transferring there.

The Hon. C.J. SUMNER: I appreciate that, but a person may decide to transfer because they can get a favourable interest consideration from another institution, or may decide to leave the money with the institution originally invested in at the expiration of the term period because it is offering better terms on reinvestment. It seems to me that the duty ought to be paid in those circumstances. I would have thought that the situation is clear; there is a difference between what one determines at the time of investment and what one subsequently decides to do on expiration of the term. At the expiration of the term one has the option available to take the money and invest it somewhere else, on which all members would agree duty should be payable; to leave it where it is at call, again in the form of a reinvestment; or to reinvest it for another term period with the same institution, perhaps at an altered interest rate.

The Hon. J.C. Burdett: It is not caught in the first place if it is fixed by a term followed by a call.

The Hon. C.J. SUMNER: That is correct, if you do a deal at the beginning. If one does a deal at the beginning when one invests money then the intention is that that transaction is not caught, because one is not reinvesting the money but is investing it according to certain conditions: a fixed term plus call at the end of that fixed term. That is the agreement one enters into when one deposits the money. The other examples that have been given relate to where it is agreed with the bank or institution to take the money for that fixed term and at the end of that term do what one likes with the money—shift it or reinvest it—

The Hon. K.L. Milne: I am talking about when you don't shift it.

The Hon. C.J. SUMNER: I appreciate that. One can shift it or leave it, but one can leave it in the institution because one prefers that institution; for a second period it may be competitive in terms of interest rates and one gets a better interest rate out of the original institution. Therefore, one does not shift it to another institution, but that is still a commercial decision based on the interest rates payable at the time. Therefore, I think that it is important to understand what the Bill is designed to do, and it is designed to catch reinvestment, whether in the same institution or in a different institution. That is the policy.

The Hon. L.H. DAVIS: We just heard an absurd proposition from the Leader. He is suggesting that this legislation will be effectively altering people's investment habits. Let us give an actual example of a person who invests at a fixed term, let us say, 90 days. If he renews that after 90 days, he will be liable for a second payment of financial institutions duty. However, the Hon. Mr Sumner says that, of course, if he has read his Act, he can avoid that by placing it initially for 90 days, then at call, and then he can leave it. Of course, that may be superficially attractive to the legalistic mind of the Hon. Mr Sumner, but investors do not work like that: they do not think like that and, in fact, the market does not operate like that, because in practice the person who has put it in for a 90-day period is gaining a higher rate because he has a fixed term, and then certainly he gains some flexibility at the end if he wants to leave it at call.

However, call rates can fall away and sometimes move down. Certainly, at the moment they are moving down. On other occasions they can go up, but the Hon. Mr Sumner is suggesting that, by putting the money in for a term and then at call, the investor will be overcoming this problem of recurrent f.i.d. payments as an investor. That is simply not how the market works. The great bulk of people, I believe, in the banking system and building societies who have these term deposits, like the convenience and flexibility of rolling it over every three months, so that they can review their financial needs at the end of three months and review their investment opportunities.

However, invariably the great bulk of them, having given themselves that flexibility, choose to leave the money where it is; that is the point that the Hon. Mr Sumner ignores, and I am horrified to hear that he quite lightly suggests that this is the intention of the legislation. They are penalising the thrifty, the financially prudent, the people who really do give some consideration to how to invest their hard earned savings. I believe that the great majority of people

do not think the way that the Hon. Mr Sumner does. I think that it will change investment habits; it will break down people's confidence in their learned habits of investment. I think that it is a most unfortunate state of affairs, and I really urge the Committee to find every means at its disposal to reverse this most onerous measure.

The Hon. K.T. GRIFFIN: There is one way of overcoming the problem, and that is not to invest one's money on deposit in South Australia. That is the problem that the Hon. Mr Davis is really flagging to the Committee. If one has $30 000, $40 000, or $50 000 maybe from superannuation lump sum payouts (whilst there is still some benefit in that), and if one wants some flexibility, the sensible thing would be to arrange for a cheque to be forwarded to, say, the National Bank in Queensland, and request the National Bank in Queensland to invest it at 30 days call, or a 30-day or 60-day roll-over in Queensland.

There is no duty payable, and that is not illegal under the later provisions of the Bill. Some people would suggest that clause 5 would catch it, but my view is that that would not be so. This will not stop people from sending cheques to have money invested elsewhere. I suggest that there may be quite a dramatic outflow of funds from South Australia if people want to invest on the basis of regular roll-overs with the same financial institution. I can accept that under the scheme of this Bill if people take money out of one financial institution and deposit it with another institution and keep shifting money around from institution to institution, f.i.d. should be paid, but it is quite ridiculous to propose that duty should be paid on each occasion if money is left on deposit, whether at call or on fixed-term or rolled over on successive fixed terms. I would support the Hon. Mr Davis in his determination to have this matter resolved. Perhaps the amendment that he proposes to a later clause, to remove the reference to reinvestment in deposits in regard to clause 5 (7), might be sufficient, but I certainly see a real need to have this matter clarified.

The Hon. H.P.K. DUNN: The Leader of the Government stated earlier that he is not very familiar with this operation, and I gathered that from his answers.

The Hon. C.J. Sumner: Not for that reason, but because I haven't got a lot of money.

The Hon. H.P.K. DUNN: Some industries take this action every day, and I can cite a couple of practical examples. I have used this method of roll-over of term deposits myself.

The Hon. C.J. Sumner: You are very lucky.

The Hon. H.P.K. DUNN: Very little has stuck to my fingers. I handle a lot, but very little seems to stay in my pocket, and I cannot blame anyone else for that. A farmer may have a reasonable amount of money in March, after the harvest and the wool crop. The average farmer may have $50 000 to $60 000 which he puts into a term deposit while he waits to see what will happen to the season in April, May or June. At that stage he does not know exactly what will happen because the season has not broken. The farmer does not know how much soil to plough up, so he does not know how much super to buy. He rolls that money over because the season has not broken. He may find that he does not need all that money and he may wish to reinvest it.

If in the meantime there is rain, the farmer may withdraw money to purchase machinery. If at the end of the season he still has some money and wishes to buy a new machine, it may be that, even though the manufacturer has said that he will deliver it on, say, 30 November, he may not deliver that machinery until next year, three months hence (and that is not unusual in regard to big machinery), so it is quite reasonable that that farmer has to turn over that money again. It is good farm practice not to invest money for 10 per cent when it should be earning 13 per cent on a fixed term. The farmer would be developing very bad practice otherwise. I would suggest that that happens in almost every case. The farmer goes to the bank manager who suggests how he should operate on a 90-day period, and the money is rolled over if the farmer does not need it.

If the Government is going to penalise them like that, I think that would be most unfair. The effect of that would be that all the deposits that go in will have an on-call agreement early in the piece. They will have to use good management practices and drop back to a low interest rate. That is an unfair penalty.

The other thing is that it will penalise the innocent: that is a matter which I think is most unfair on the community, on people who are trying to work their money but who are controlled by seasonal conditions or by factors outside their control. I support the Hon. Legh Davis in his endeavours to amend this part of the Bill.

The Hon. C.M. HILL: I also support the point made by the Hon. Legh Davis that there are a large number of people who prefer to keep financially flexible by investing in the manner that he described. From my experience there are many older people who prefer their investments to be in that form, rather than placing their money in longer term arrangements, and who simply, by their own choice, prefer the short term investment principle; then naturally the roll over principle follows from that. I do not think they should be penalised.

I simply and quickly repeat the example that I mentioned earlier of a person with $100 000 who invested it in a term deposit for three months. There was not, as the Hon. Mr Milne thought, a prospectus involved at all—it was an investment with a trading bank. At the end of the three month period the investor said to the bank, 'Please leave it there for another 14 days.' The person whom I described in that example would get caught twice for duty. Also, if having left it there on call, he drew it out after 14 days, he would still get caught the second time. So, in that instance I think the provision is quite unjust and unfair.

The Hon. C.J. Sumner: It depends how much he invested.

The Hon. C.M. HILL: Why does the Attorney say that?

The Hon. C.J. Sumner: For a larger amount he could get the lower rate, the short term money rate of .005 per cent.

The Hon. C.M. HILL: I do not quite understand. We are not discussing the rate that he intends to get from the institution with which he invests the money.

The Hon. C.J. Sumner: The f.i.d. rate is lower on the short term market, if the sum invested is over $50 000.

The Hon. C.M. HILL: Is the honourable member saying that in regard to my example, if the investor placed the money under an on-call arrangement and drew it out after a fortnight the duty charged the second time around would not be as much as that charged when he first invested it?

The Hon. C.J. SUMNER: It depends on the amount invested. If it is over $50 000, he would be able to qualify for a short term money market investment, in which case the rate of duty would be lower.

The Hon. C.M. HILL: The investor to whom I referred would not consider registering as a short term investor: he is just a simple citizen. Anyway, if the rate in the example to which I referred is lower for the 14 day period, it would still be a second duty. It is the principle of the second duty that is wrong in regard to the example to which I referred.

This legislation should not pass in its present form where, first, people who prefer to be financially flexible and roll over their investment with the same institution are caught and, secondly, in the examples that I have given an investor should only pay duty when he or she pays money to the bank in the first instance when the bank receives the money.

The Hon. R.I. LUCAS: Pursuing the point raised by the Hon. Mr Hill, to which the Attorney responded by way of interjection, there are two conflicting views. How does an individual qualify for the .005 per cent short-term money

market rate? The Attorney suggested that the individual does not have to qualify, because he just grabs that rate. Other members suggest that only a registered short-term money market dealer qualifies. Who qualifies for the .005 per cent rate and how would the investor referred to by the Hon. Mr Hill or the farmer referred to by the Hon. Mr Dunn qualify for the lower .005 per cent rather than the .04 per cent?

The Hon. C.J. SUMNER: The Hon. Mr Hill's example is correct for an investment of less than $50 000; investments greater than $50 000 on the short-term money market attract a lower rate.

The Hon. R.I. Lucas: Automatically?

The Hon. C.J. SUMNER: The banks fix it. If the institution accepting the money includes it as part of the overall calculation at the lower rate, it must be over $50 000 on the short-term money market and the individual does not have to do anything.

The Hon. R.I. Lucas: You're saying that the bank is the short-term money market operator?

The Hon. C.J. SUMNER: The individual does not have to do anything provided he invests more than $50 000 on that market, because the institution picks up the investment as part of the short term money market and thus applies the lower rate of .005 per cent rather than .04 per cent.

The Hon. R.C. DeGaris: Over what period?

The Hon. C.J. SUMNER: The short-term money market period of up to 185 days, or at call. The Hon. Mr Hill's example was correct for sums less than $50 000. If they are rolled over as was mentioned, that is correct. I stated by way of interjection that for sums greater than $50 000, even though the sum may be rolled over, one qualifies for the lower rate of duty, which is not as onerous.

The Hon. R.I. Lucas: Do you still get caught each time when you roll over at the lower rate?

The Hon. C.J. SUMNER: Yes, but it is a lower rate because it is an investment on the short-term money market and it is calculated by the bank.

The Hon. L.H. DAVIS: This revelation of what f.i.d. will be payable on term deposits is clear, but how can the Government continue to say that it will amount to between only $7 and $10 a year for the average family? A fairly ordinary deposit of $2 500 on a 30-day roll over will immediately attract f.i.d. of $10 a year before one even considers mortgages, bankcards and paying f.i.d. on family allowances and all the other receipts—

The Hon. J.C. Burdett: Salary.

The Hon. L.H. DAVIS: —and salary.

Quite clearly, the Government has miscalculated. I ask the Leader to level with the Committee. Has the Government specifically intended to trap term depositors rolling over their term deposits, unlike the situation in New South Wales and Victoria? Was it a mistake and, if not, how much revenue does the Government estimate will be received in a full year from this entrapment of innocent investors?

The Hon. C.J. SUMNER: The Hon. Mr Davis's examples of an average family is obviously based on his own experience. Obviously, he has a more inflated idea of the investment practices of an average family. I do not know about the honourable member, but I consider myself to be nothing more than an average family man. Certainly, the public seems to think that I am paid more than the average family, but I assure the honourable member that I do not have $2 500 to invest in the short-term money market.

The Hon. L.H. Davis: Do you send it to Queensland?

The Hon. C.J. SUMNER: No, I do not send it anywhere. I have family obligations.

The Hon. R.I. Lucas: Three homes.

The Hon. C.J. SUMNER: No, I have only two pieces of real estate, one being heavily mortgaged. My income puts me in the top 1 per cent of income earners in this State. However, I do not have the money to invest in the short-term money market, unlike some people in the community (and obviously the Hon. Mr Davis is one). The Treasurer's figures were calculated for the average family. I do not concede that the average family would have the sort of money—

The Hon. L.H. Davis: Have you spoken to banks and building societies about this?

The Hon. C.J. SUMNER: I assume that the Treasurer's estimates would be for the average young family, such as mine, who would not be in a position to attract the sort of duty to which the honourable member referred. There is no question of entrapment and I do not believe that the Treasurer has given any misleading estimates.

The Hon. L.H. DAVIS: Again, I am not satisfied with that answer. The Attorney is ducking and weaving like a drunken sailor on a sinking ship. He has refused to answer my two specific questions: first, did the Government deliberately set out to trap term depositors rolling over their funds; secondly, what is the estimate of revenue which will be attracted by financial institutions duty as a result of this entrapment procedure?

The Hon. C.J. SUMNER: That is not a sensible proposition for the honourable member to put forward. 'Entrapment procedure' is just inflammatory, particularly at this time of night, but I will restrain myself. There is no entrapment. Obviously, I cannot make an assessment of the amount of revenue that will be raised by that process, and I do not think that anyone else can.

The Hon. L.H. Davis: You deliberately set out to do it.

The ACTING CHAIRMAN (Hon. Diana Laidlaw): Let the Attorney answer.

The Hon. C.J. SUMNER: I do not need to answer: I have already answered. The honourable member seems to be too busy worrying about his blocks of $2 500 which he has invested in the short term money market and which he wants to roll over without attracting duty. Good luck to him! I do not mind his looking after his personal interests in this Chamber by wishing to oppose the Bill because he will get caught with his investments, but I made it clear earlier that the intention was to catch reinvestment for the reasons that I have outlined. Unless the agreement is made at the time of the deposit, the intention is that the time that that money could be transfered to another account for reinvestment (for higher interest rate, or whatever) is the time that the individual makes another investment decision. For that reason, it was felt that the duty should be applied.

There were to be exemptions. A lower rate was included in the legislation to overcome the problem of people like the Hon. Mr Davis who have large amounts of money to invest in the short term money market. So, he can count himself lucky when he invests his $50 000 and rolls it over every couple of months. He can thank his lucky stars that the rate is less that it would be for those people who do not have that sort of money to invest.

The Hon. R.I. LUCAS: The Attorney, in response to the questions of the Hon. Mr Davis, has sought to deflect by suggesting that people with a lot of money to invest on the market, in effect, ought to be grabbed by this financial institutions duty, but I put a question to the Attorney with respect to people who do not have the money and have to get themselves involved in bridging finance in the purchase of a new home.

These people do not have money, and I will give my personal example for the benefit of the Attorney. In the purchase of a new home the bank advised a struggling young couple by the name of Lucas, if need be, to make provision for bridging finance. It suggested a 30 day bank bill which needed to be rolled over, if we needed the amount of money in between the transfer of the property. I take it that the bank would have to pass the cost of each roll-over of the

financial institutions duty on to us or anyone else in our situation.

The Attorney has sought to deflect this important question from the Hon. Mr Davis on the basis that anyone who is rich enough to have $2 500 rolled over can pay this financial institutions duty. Let me assure the Attorney that there are many people in South Australia who, through no fault of their own, would have to go into bridging finance for many reasons.

I am sure that the Attorney does not need me to list the reasons for couples having to go into bridging finance. If it is the case that couples who have to go into bridging finance have to pay the costs of the financial institutions duty, by necessity, I seek an answer from the Attorney. I understand that the banking institution, finance company associated with the bank, or whatever, would have to pay the financial institutions duty on each roll-over. The bank or finance company is not a benevolent institution and will not carry that cost.

I presume that those bodies would add that cost to liabilities and payments that people who have to go into bridging finance will have to pay. I seek a response from the Attorney to that question which, if it is correct, cannot be deflected on the basis that it only applies to people who have a lot of money to invest and are rolling it over. If it does apply, it applies to people struggling to buy a home who may well be forced, through no fault of their own, into the bridging finance situation.

The Hon. C.J. SUMNER: It is not possible to answer that question without more specific information from the honourable member. If he wishes to detail exactly what the position is, the amounts concerned, the circumstances of obtaining funds that the bank will be paying and rolling over, I may be able to provide him with some kind of response. I would be happy to make a Treasury officer available to him to get that explanation, depending on the factual situation that he has in mind.

The Hon. R.I. LUCAS: I thank the Attorney for that more reasonable response because I think he is perhaps now beginning to realise the potential problems that the Hon. Mr Davis has raised. It does not simply affect people who have money to invest, but it affects people who may have large liabilities. I am a little bemused by the Attorney's request for further information, because I think really the case that I put to him is quite clear.

It does not matter whether it is my particular situation. I did not have to go into bridging finance, as it turned out, so I am not making a personal plea here. If the bridging finance is $5 000, $10 000, $15 000 or $20 000, the principle remains the same, that the couple struggling to pay for a home who have to go into bridging finance at whatever level we are talking about will be inflicted with this extra financial institutions duty.

Whilst I am pleased to hear that the Attorney will get a Treasury officer to have a look at this particular provision, I do not really think that I can respond to his request for further information in any detail, because the principle is quite clear. As I said, it does not really matter whether it is $5 000, $10 000, $15 000 or $20 000. Perhaps we could ascertain information from banks and finance companies for the Attorney and the Treasury as to what is the average level of bridging finance that a young couple has had to go into over the past 12 months. I am aware of some friends who have had to go into bridging finance up to $15 000, $20 000 and $30 000.

A family may wish to sell their house (the average price of a house in the metropolitan area is between $45 000 and $48 000) and buy a more expensive house for perhaps $60 000 to $65 000. They could be caught in a situation of trying to sell their old house at $48 000. They may have a very high equity in it, amounting to, say, $30 000, still leaving a $20 000 mortgage. Young couples trading up from the average price house of $48 000 to a slightly better quality house of $60 000 may well have to obtain a bridging finance loan of between $30 000 and $35 000: if they do not sell that house for perhaps three months, the banks and finance companies may advise them to go on to these bank bills for 30 days and roll them over. They would have to obtain a $30 000 bridging loan, and the Attorney is suggesting that that young couple would have to have the cost passed on by the finance company three times: 30 days by three months. So, at the end of each roll-over period they would be forced to pay the financial institutions duty payable with each roll-over. The principle is quite clear: whether it is $5 000 or $30 000 bridging finance, the principle remains the same.

The Hon. L.H. DAVIS: The Attorney may well think that we are hanging on unduly long to this definition but I want to assure him (and I feel this is shared by my colleagues) that this is an iniquitous provision. Let us take the other side of the coin that has been presented to us by the Hon. Mr Lucas. Because house prices are increasing rapidly in Adelaide, young couples have to save more money to qualify for a bank or building society loan. They may have to save $5 000 or $10 000, and they will be doing that over a period of years and giving themselves some flexibility. Term deposits are commonly used—I know that for a fact—yet the Hon. Mr Sumner scoffs at the example I give of someone investing $2 500 for a one-year period on a 30-day roll-over: he says that it is unusual. I would have thought that that was a very common example among young people saving for their first house. In fact, more often than not, they would have far more than that, and if they are to achieve their goal—

The Hon. C.M. Hill: If they're both working.

The Hon. L.H. DAVIS: Yes. If the Hon. Mr Sumner consults his advisers, he would find that for a young couple today the average bank or building society loan is about $30 000. One cannot buy a house within a 20 kilometre radius of the metropolitan area for less than $40 000. A minimum of $10 000 would be required, and a young couple would be investing that for the most part on short-term deposits with financial institutions which would be their lender in due course. That is a prerequisite in obtaining a home loan. Many young couples I know invest for short periods and, whether we talk about 30 days, 60 days, 90 days or six months, every time they roll that deposit, they attract duty. The Hon. Mr Sumner has the gall to tell this Committee that that is an exceptional example: I refute that entirely, and I think the further that one goes into this matter the more horrendous the examples become.

I return to the question that the Attorney continually refuses to answer: does the South Australian Government realise that a financial institutions duty does not apply to term deposits in New South Wales and Victoria? Is the Government concerned that there will be a flow of capital out of South Australia? Does the Attorney realise that by imposing a duty of .04 per cent on amounts up to $50 000 the Government is not penalising the rich of South Australia but, on the contrary, is penalising those people who are trying to save hard to ensure their future, that is, young people saving to buy homes and people saving for their retirement?

The Hon. R.I. LUCAS: I support the Hon. Mr Davis's argument, which is an important one for the Attorney to grasp. There are many young couples in such a situation. I refer to a family as an example: a two-income working couple, who purchased a home in the metropolitan area at a cost of $50 000 to $55 000 (a cost a little above the average). They had to save about $15 000 to $20 000 so that when they purchased their home they would have a first mortgage of only (and I use that word advisedly) $35 000. The ideal home for young couples does not pop up out of the blue and couples must hunt around for homes. They

might rent premises while looking around and, as the Hon. Mr Davis has suggested, they have their money on short-term deposit. However, if they do not find a home they must roll-over their money. The Attorney suggested that the Hon. Mr Davis's suggested figure of $2 500 would only involve rich families. I suggest that two-income young couples have to save a considerable sum of money, such as that given in my example (which I do not think is too atypical). They had the money, went looking for a home, and had to roll-over the money invested in the financial institution. The Attorney has now been given two examples of situations where it is not just the rich who roll-over their money.

The Hon. C.J. Sumner: Your earlier example was about borrowing, which does not attract duty.

The Hon. R.I. LUCAS: The question that I put to the Attorney was whether or not a bank or finance company would attract the duty and, if they did, whether they would not pass it on to the person taking out a bridging loan. The Attorney's response was 'Well, you might have something there.'

The Hon. C.J. Sumner: I did not say that at all, that is nonsense. I said nothing like that. I said, 'You give an example, and I will give an answer.'

The Hon. R.I. LUCAS: The Attorney said, 'Give me some more information and I will get a Treasury officer to look at it.' The Attorney did not respond in the terms he suggests.

The Hon. C.J. Sumner: I said that we would have a look at it.

The Hon. R.I. LUCAS: The Attorney did not respond in that manner earlier. The Attorney has been given two examples of where it is not just people with a lot of money who are investing for their own profit who will be caught by this provision.

The Hon. R.C. DeGARIS: I would like to ask a question of the Attorney-General, and I do so very quickly because of the hour. Perhaps he might reply to me tomorrow. It is quite clear that the definition of 'term deposit' is affected also by the definition of the 'short-term money market'. At the end of my second reading speech on this question I said that, whatever happens in this sort of legislation, it affects the general investment climate and investment quality of so many people. I said then that I did not know exactly what would occur in relation to how people would invest their money following f.i.d. I would like to point out, in regard to 'term deposit', that there are a number of periods in term deposit. If that deposit is made on term deposit, it may be one month, three months, six months, 12 months, or two years. The duty payable is at the rate of .04 per cent (or 4c per $100). That deposit may be anything from $1 000 to $1 million. If one uses the short-term money market at $50 000 or more, the duty payable on the short-term money market over 185 days (which is something less than six months or slightly over, depending on which way one looks at it) is at the rate of .005 per cent. Therefore, I think that term deposits should be related in some way to the short-term money market duty. At least then that would not create the problem in relation to how people invest and the choices they have. However, the present situation in regard to term deposit at .04 per cent and short term deposit at .005 per cent appears to create some sort of problem which I would like the Attorney-General to examine.

The Hon. H.P.K. DUNN: I take exception to the Minister's inferring that he has a high income and the rest of the community should not be able to use this provision because he cannot. Let me assure him that there are many small businesses which use this provision to even out their yearly income, to take the troughs and valleys out of the rise and fall in their income. The rural industry does that, but many small industries and businesses do that and, if the Minister is not aware of that, I am not surprised that we face the problem which we face at the moment.

The Hon. K.T. GRIFFIN: That seems to have exhausted most of the matters on page 4. I move the following suggested amendment:

Page 5, lines 7 to 9—Leave out the definition of 'trust fund account'.

This is one of those amendments relating expressly to trust accounts of legal practitioners, real estate agents and land brokers in relation to exempt accounts. I regard it as largely consequential upon the two earlier amendments which have been carried, the first of which was carried on a division, so I move that amendment. I regard it as part of the package relating to the exemption of trust fund accounts.

The Hon. C.J. SUMNER: We seem to have lost out on this earlier in the evening, and it is really consequential on the previous debate relating to trust accounts. Whilst I oppose the amendment in principle, I will not divide, because the Committee has accepted, for the moment at least, the validity of the approach adopted by the Hon. Mr Griffin.

Suggested amendment carried; clause as amended passed.

Clause 4 passed.

Clause 5—'Receipts to which this Act applies.'

The Hon. C.J. SUMNER: I would like to put the Hon. Mr Davis's amendment to the vote if honourable members are happy that we do not launch into the same debate tomorrow. We are about to start a new topic, and perhaps we could vote on the debate that has already taken place, as long as honourable members do not intend to renew their enthusiasm about this clause and in regard to term deposits.

The CHAIRMAN: I appreciate what the Minister is trying to do in regard to term deposits.

The Hon. C.J. SUMNER: If honourable members are prepared not to launch into the same debate, the vote could be taken tomorrow. My only concern is that, having had the debate tonight, albeit in relation to the definitions, the substantive matter must be dealt with and we should not cover the same ground. If members are happy to accept that, I will report progress so that we can vote on term deposits tomorrow.

The Hon. K.T. GRIFFIN: I have some sympathy with what the Attorney-General is trying to to. However, I have some questions in regard to the early parts of the clause. So, I think it is a reasonable proposition that when we get to the amendment to clause 5 on page 7 we do not repeat the debate. There may be some minor matters that need to be raised, but I would certainly assist in not repeating the extensive debate that we have had on that part of clause 5 before we have a vote and, presumably, a division on it.

The Hon. C.J. SUMNER: In view of the intimation from members opposite (and I think all honourable members were nodding in enthusiastic agreement with the Hon. Mr Griffin's proposition), and as we will now be starting on a separate topic, I think it is appropriate to report progress. Tomorrow we will deal with clause 5 and the Hon. Mr Griffin's amendment to subclause 4 and then proceed to consider the Hon. Mr Davis's amendment to subclause 7, on the understanding that that matter has already been substantially debated when considering clause 3 containing the definitions. On that understanding, I ask that progress be reported.

Progress reported; Committee to sit again.

PIPELINES AUTHORITY ACT AMENDMENT BILL

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

ADJOURNMENT

At 11.59 p.m. the Council adjourned until Thursday 17 November at 11 a.m.