LEGISLATIVE COUNCIL

Thursday 5 April 1984

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

STANDING ORDERS SUSPENSION

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

That Standing Orders be so far suspended as to enable Question Time to be postponed to a later time today and be taken on motion.

This is the result of discussions that occurred last night in relation to the conduct of the Council today. It was agreed that the Council should meet at 11 a.m., proceed with legislation and have Question Time at the normal time. I indicate that, on resumption following the luncheon adjournment, Question Time will take place at 2.15 p.m.

Motion carried.

QUESTIONS ON NOTICE

DEPARTMENTAL EMPLOYEES

The Hon. J.C. BURDETT (on notice) asked the Attorney-General: In relation to all departments and statutory authorities administered under his portfolio—

1. What were the aggregate number of employees of all departments and statutory authorities as at 30 December 1982 and 30 December 1983?

2. Between the period 30 December 1982 and 30 December 1983, how many employees—

(a) retired?

(b) resigned?

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

1. The aggregate full-time equivalent number of employees in each of the departments administered by the Attorney-General were:

	Dec. 1982	Dec. 1983
Attorney-General's	160.4	171.1
Electoral	16.4	16
Courts	502	493.6

The numbers of employees in statutory authorities were not collected for these dates, but employment for June of each of these years is published in the annual report of the Public Service Board.

2. The number of employees who retired or resigned is not readily available. While estimates for these dates could be obtained from summary information on public servants in departments, information on the majority of employees in departments, and for all employees in statutory authorities, could only be obtained from detailed records in departments and statutory authorities. This would involve a considerable effort to collect, the cost of which is not considered to be justified.

The Hon. J.C. BURDETT (on notice) asked the Minister of Health: In relation to all departments and statutory authorities administered under his portfolio—

1. What were the aggregate number of employees of all departments and statutory authorities as at 30 December 1982 and 30 December 1983?

2. Between the period 30 December 1982 and 30 December 1983, how many employees—

(a) retired?

(b) resigned?

The Hon. J.R. CORNWALL: The replies are as follows:

1. The aggregate full-time equivalent number of employees in the statutory authorities administered by the Minister of Health were:

	Dec. 1982	Dec. 1983
Health Commission	19695.2	19774.5

Following the identification of a computing error last year in the workforce statistics compiled by the Health Commission, a review of workforce statistics has been carried out and significant improvements have been made to the collection and monitoring of workforce information. However, it should be noted that the figures being provided are not directly comparable with previously published figures for the Health Commission.

2. The number of employees who retired or resigned is not readily available. This information could only be obtained from detailed records in the individual Health Units. This would involve a considerable effort to collect, the cost of which is not considered to be justified.

COMPANIES (ADMINISTRATION) ACT AMENDMENT BILL

In Committee.

(Continued from 29 March. Page 2999).

Clause 2—'Corporate Affairs Commission.'

The Hon. C.J. SUMNER: The Hon. Mr Griffin in his second reading contribution asked some questions about the restructuring of the Corporate Affairs Commission. Clause 2 provides for the appointment of an Assistant Commissioner for Corporate Affairs who would also constitute the Commission, along with the Commissioner and Deputy Commissioner for Corporate Affairs. The reason was to streamline the operations of the Corporate Affairs Commission. The Commissioner for Corporate Affairs is still head of the Commission. The Deputy Commissioner for Corporate Affairs will be responsible, and will be able to exercise the functions of the Commission, for the registration of companies, administration and certain policy matters.

The Assistant Commissioner for Corporate Affairs will be able to exercise the functions of the Commission in relation to prosecutions and investigations. The reason for constituting the Assistant Commissioner for Corporate Affairs was to provide a more effective prosecution and investigative role for the Commission. The Assistant Commissioner will not report to the Deputy Commissioner and in turn to the Commissioner. In fact, the structure has been flattened out in line with what the Guerin Committee recommended so that there will be a degree of autonomy for the Assistant Commissioner for Corporate Affairs in the area of investigation and prosecution, but he will report to the Commissioner for Corporate Affairs. The Deputy Commissioner for Corporate Affairs, who will have the other responsibilities I have mentioned, will in turn also report to the Commissioner for Corporate Affairs.

That was the reason for the change—the Government felt, and there was evidence to suggest, that on the prosecution side there was a backlog that was unacceptable; further, the new offices which are being created and which are increasing the status of the head of the prosecutions section by making him an Assistant Commissioner (able to exercise the powers and functions of the Commission in that area) would facilitate investigation and prosecution procedures and, hopefully, overcome the backlog that existed. There were 13 new offices created in the Corporate Affairs Commission, as follows: Assistant Commissioner for Corporate Affairs, EO2; Solicitor, Class 3, LO3; four Investigation Officers, CO6; one Examiner, CO5; one Clerk, CO4; one Clerk, CO3; and four Clerical Officers, CO1.

This change in the administration came about as a result of the Government's expressing its concern about the delay in the prosecutions and investigations areas and, also, as a result of the need to provide adequate policy advice because of the participation of the South Australian Corporate Affairs Commission in the co-operative scheme, and the administration of companies and securities in this country. As a result of the Government's concern, and the need for that policy officer, the Public Service Board approved a revised organisational structure for the Corporate Affairs Commission and recommended that 13 offices be created to improve the Department's enforcement efforts, its revenue-generating activities, and to enable the Department to cope with additional responsibilities because of its involvement in the national companies and securities scheme. The full cost of the 13 new offices is $263 000, although it is expected that the four revenue-generating offices will return $135 000 to the State revenue. That is a summary of what has happened and I trust that it answers the honourable member's question.

The Hon. K.T. GRIFFIN: I thank the Attorney for that information, which is very helpful. I recollect that during the second reading debate I asked questions related to the departmental structure to the extent of whether or not there had been any changes in the departmental structure and in levels of staffing. I presume from what the Attorney has said that, basically, there have been no changes in the structure, and the staffing levels, apart from these increases, have not been varied within the various sections of the Corporate Affairs Commission. Can the Attorney elaborate on that? If he cannot do that immediately I will be happy to receive that information at a later time.

The Hon. C.J. SUMNER: There have been some changes within the Commission, the basic change being to place the investigations and prosecutions section under the authority of the Assistant Commissioner for Corporate Affairs.

There were some other changes. Perhaps I can provide the honourable member with some additional information. The intention was to segregate litigious and investigative functions from policy, legal advising, monitoring and service responsibilities. As I have said, the litigious investigative functions were to come under the Assistant Commissioner for Corporate Affairs and the others were to come under the Deputy Commissioner for Corporate Affairs, with the Commissioner having an overriding authority in all areas but there being a considerable degree of autonomy as far as the litigious and investigative functions were concerned. Obviously, the Commissioner himself has considerable authority and influence in the area of policy, particularly policy relating to the national scheme.

It was considered that this would enable the Commission to maintain the priority of its investigation and litigation and enforcement effort in line with the Government's concerns about the delays that existed in that area. It was considered that the position of EO2—an Assistant Commissioner—would facilitate that policy objective, so that detailed reporting to the Commissioner for Corporate Affairs would be limited to matters of Ministerial, national and public significance from the Assistant Commissioner of Corporate Affairs. As I pointed out before, the additional position would not thereby lengthen the decision making and communication processes; indeed, if anything it should contract them.

But there were other changes. One was to transfer the corporate finance section and routine licensing functions of the Securities Industries Section from the Investigation Division to the Assistant Commissioner, Corporate Operations, who is at present Mr Leydon, the Assistant Commissioner. A new division called Corporate Operations is to be formed by bringing together the corporate finance section and the new registration branch of the former registration division. A Support Services Division would be formed by bringing under the control of the Manager, Support Services, the Document Registration Branch and the Administration, Finance and Management Services Branch, with substructures eventually as existed under the existing scheme.

The Division of Policy and Advising is formed by a senior solicitor and a solicitor; that Division, working closely with the Deputy Commissioner, is to provide an information base and expertise necessary to enable the Commissioner to properly advise the Government on the complex and diverse policy issues arising from building societies, credit unions—which are now part of the Corporate Affairs Commission—and the national scheme legislation.

In fact, what happened was that there were two stages: one stage was approved early in this financial year by the Treasury—the appointment of seven officers, which also included the appointment of officers who could increase the revenue generated by the Commission—but subsequently it was decided to have a more comprehensive review. The ultimate result of that is, as I have indicated to the honourable member, a Commission constituted of three people able to exercise the powers of the Commission: the Commissioner at the top, the Deputy Commissioner with the functions that I have mentioned in terms of policy (administration, registration, names, etc.), and an Assistant Commissioner with responsibility in the areas of investigation and prosecution litigation. I trust that that provides sufficient information to the honourable member.

The Hon. K.T. GRIFFIN: Yes, that is sufficient information. My major interest is to gain information about the operation of the Commission. It is a highly professional Commission; it has a reputation for being the best in Australia in terms of its response time to members of the public and, from my experience as Minister, probably the best response time to Ministerial requirements, too. It has the best response time of any Commission in Australia and anything that will enhance the professional capabilities of the Commission will certainly have my support. There is just one other area and, again, it is an area on which the Minister may not be able to give information immediately, but I would be happy to receive it subsequently; that is, information generally about the state of play in respect of the backlog in prosecutions. I do not want to deal with individual matters like Swann Shepherd and Kallin Investments and so on, because they can be the subject of questions at another time, unless the Attorney wants to give me the information now. I just seek an update on the current position in respect of numbers of outstanding prosecutions and other relevant information about the prosecutions which would certainly be helpful and of interest.

The Hon. C.J. SUMNER: I have information in respect of individual matters, some of which the honourable member has mentioned. In general terms I am not able to give him a rundown or update on the situation. If there are any particular investigations about which the honourable member is concerned I may be able to provide him with some information now or I can certainly get it. As to the general state of prosecutions and investigations, I can obtain information for him.

I understand the comments that the honourable member made about the Commission. The restructuring certainly was not meant to imply any criticism of the operations of the Commission or its personnel. My experience has been favourable in the areas that the honourable member mentioned. However, the concern of the Government was that there was a backlog in investigations and prosecutions that needed to be tackled and it was felt that the upgrading and reorganisation which I have outlined would facilitate that. Also, there is a problem of course in keeping the backlog down to a minimum but there was in the Government's

view an unacceptable backlog which is why changes were made. I agree with the honourable member that the Commission within its staff limitations does a very competent job in all areas, in particular, the areas the honourable member has mentioned.

Clause passed.

Clause 3 and title passed.

Bill read a third time and passed.

SMALL BUSINESS CORPORATION OF SOUTH AUSTRALIA BILL

Adjourned debate on second reading.

(Continued from 4 April. Page 3194.)

The Hon. R.I. LUCAS: The Small Business Corporation is another in the long list of new glossy packages that are being sold by the Labor Government as a solution to quite difficult problem areas. The Ramsay Trust was originally sold as a solution to certain problems in the housing industry. We now see the Small Business Corporation being portrayed as the panacea for all problems with respect to small business. Of course, we also have the concept of the South Australian Enterprise Fund, which has been hovering in the background for many months. I imagine that it will be unveiled and sold at some time in the future as the solution to all problems of both economic and industrial development in South Australia. At the outset, I congratulate the Government on its marketing expertise, because it seeks to look at a difficult problem area, come up with a glossy new package and sell it as the solution to the difficult problem area.

The Hon. L.H. Davis: A political panacea.

The Hon. R.I. LUCAS: The Hon. Mr Davis refers to a political panacea; yes, it is a very clever marketing ploy. As I have said, I congratulate the Government on its grasp of marketing principles: it takes a difficult area, comes up with a simple package that can be sold through the media to the particular bodies and individuals concerned (in this case the small business area) and sells the package as the solution. It is easier to sell one particular concept or idea as a new package or new idea, rather than looking at an existing one, and I suppose in a boring and non-innovative way but in a more sensible and rational way, attempt to improve upon existing schemes (the existing scheme in this area is the Small Business Advisory Bureau) and try to make them work without having to come up with a glossy new package.

I register my personal concern at another statutory corporation being established in South Australia. Late last night during the debate on the Phylloxera Act Amendment Bill I registered my personal concern at a statutory authority being transformed into another statutory corporation. It transpired during debate last night (and I will not detail it now) that there appears to be some problem with forming a statutory corporation in that area. I believe that there are and will be many problems in relation to forming a statutory corporation in the small business area. It is a continuing feature of Governments—and to be fair, Governments of both major political persuasions—that we continue to form statutory authorities and statutory corporations. We keep on creating them and in each instance we find a reason for either proposing a statutory corporation or, in the case of the Opposition, supporting the proposal for a particular statutory authority or statutory corporation. We do that in many individual cases and, in the end, when we total up the number of statutory corporations and statutory authorities, we collectively throw up our hands and say that we really have too many authorities and corporations and that we must do something about it.

We had a proposal for a Statutory Authority Review Committee in the last Parliament and, I imagine, we will have a similar proposal during the life of this Parliament. I support the concept of a review body, because I believe that it is the only way we will ever achieve a reduction in the proliferation of statutory authorities and statutory corporations that we are creating and have created. The Bill now before us is a further example of the general problem. Once again, we have a proposal for another body. It will be debated in this Chamber for a short length of time, the Bill will pass and we will have another statutory corporation on the Statute Book.

I firmly believe that there is no need for a new glossy statutory corporation to be known as the Small Business Corporation. The present Small Business Advisory Bureau, with appropriate changes, could achieve all that the Small Business Corporation is supposed to achieve. Of course, upgrading the present advisory bureau is not a very saleable commodity; a glossy new Small Business Corporation is. It can be sold to all involved in small business, which includes very many South Australians, as a panacea for the many problems that exist in the small business arena. The functions and powers of the Small Business Corporation are laid down in clause 10 of the Bill, as follows:

> (1) The functions of the Corporation are as follows:
> *(a)* to provide advice to persons engaged in, or proposing to establish, small businesses;

Quite clearly, that is what the Small Business Advisory Bureau, which is a unit or section of a Government Department, does and can continue to do. So, for function *(a)* there is no need for a new glossy Small Business Corporation. Function *(b)* provides:

> To promote awareness of the value of proper management practices in the conduct of small businesses and to promote, co-ordinate and, if necessary, conduct training and educational programmes relating to the management of small businesses;

I will return to that provision later. Suffice to say that the Small Business Advisory Bureau can achieve many of the things covered under function *(b)* that supposedly are to be achieved by the new Small Business Corporation. Once again there is no need for a glossy Small Business Corporation. Function *(c)* provides:

> To disseminate information for the guidance of persons engaged in, or proposing to establish, small businesses;

Clearly the Advisory Bureau does that already and can continue to do that. Function *(d)* provides:

> To monitor the effect upon small business of—
> (i) the policies and practices of the Governments of the State and Commonwealth and of local government; and
> (ii) Commonwealth and State law (including local government by-laws),
> and to make appropriate representations in the interests of small business;

To a large extent the present Advisory Bureau already does that and no need exists, once again, for a new glossy Small Business Corporation to achieve that function. I will return to that function later with respect to the various roles of Government and private sector organisations in monitoring the effect of Government legislation on the private enterprise sector. Function *(e)* provides:

> To consult and co-operate with persons and bodies representative of small business and, where appropriate, represent their views to Governments;

Once again, the Small Business Advisory Bureau to a large extent already does that. There is considerable liaison with trade associations, employer groups, and, where appropriate, the Advisory Bureau has represented the views of those trade associations and employee groups to the State Government. Once again, there is no need for a new glossy Small Business Corporation.

The Hon. C.J. Sumner: Are you voting against it?

The Hon. R.I. LUCAS: No, we will return to that.

The Hon. C.J. Sumner: You are not game.

The Hon. R.I. LUCAS: The Attorney-General can wait for the rationalisation of that. Function *(f)* provides:

To provide financial assistance to small businesses by way of the guarantee of loans or the making of grants under this Act;

That is a separate area. The member for Todd, Scott Ashenden, in another place covered this matter at great length with respect to the Industries Development Committee and its role in providing guarantees of loans and the making of grants to small businesses that require either loans or grants. Once again there is no need for a Small Business Corporation to achieve this necessary goal. Function *(g)* is possibly a catch-all function and provides:

Generally, to promote and assist the development of the small business sector of the State's economy.

Inasmuch as the Small Business Corporation would be able to do with respect to function *(g)*, so also an upgraded Small Business Advisory Bureau could achieve the intent of that function of the Corporation. That is not to say that the present operations of the Small Business Advisory Bureau have been without problems. Quite clearly that bureau, which presently I understand has a staff of about six persons, is under staffed and the whole concept of the Small Business Advisory Bureau needs to be upgraded. The position of the head of the Advisory Bureau, now held by Mr Peter Elder, ought to be upgraded.

The Hon. C.J. Sumner: You would get more work out of him?

The Hon. R.I. LUCAS: I am not suggesting that Mr Elder is not operating at full capacity already. The Attorney seems to suggest that a hard-working member of a Government Department, Mr Peter Elder, is not working at full capacity already. I believe that that is an unfortunate reflection on Mr Elder. We will not get more out of him, to use the Attorney's words, by upgrading the position. Mr Elder is a hard-working gentleman at the moment and is working at full capacity. The upgrading will give greater access, greater power and greater responsibility to the Advisory Bureau and its head. At the moment Mr Elder and that unit in the course of its operations have to go back to other public servants on very many occasions for quite minor matters. With an upgrading of the status of the Bureau (and that involves the upgrading of the Director) more responsibility and more power can be given to Mr Elder or to whoever holds that position.

There are very many other improvements that could be made to the operation of the Small Business Advisory Bureau. If those improvements were made to the Bureau there would be no need for this glossy new package entitled 'Small Business Corporation' because an upgraded Advisory Bureau could achieve all that the Small Business Corporation is supposed to achieve.

The Hon. C.J. Sumner: But you are not going to vote against it?

The Hon. R.I. LUCAS: I may as well put the Attorney-General's mind at rest. It would not matter what position I took.

The Hon. C.J. Sumner: It never does.

The Hon. R.I. LUCAS: That may or may not be the case. The Attorney-General well knows that on certain issues that will not be the case. The Attorney asks what my position will be when we vote on the Bill. I will not vote against the Bill but I have indicated that I am not supporting the concept of the Small Business Corporation.

The Hon. C.M. Hill: Was it an election promise?

The Hon. R.I. LUCAS: It is an election promise as was the glossy Ramsay Trust which was floated and then sunk without a trace and as was the Enterprise Fund which we are still to see. They were supposedly major planks of the Government's solutions to the economic problems of South Australia. There is no doubting that the economy played a major part in the last election campaign and, whilst I do not agree that everything in the Government's policy document automatically goes under the heading of mandate—or persondate—certainly major issues like the Enterprise Fund and the Small Business Corporation can genuinely be interpreted by the Government as matters for which it has received endorsement from the electorate. That does not mean to say in speaking to them that we have to agree with them. I disagree with the concept of both. I am registering, as I have a right to do, my opposition to the concept. I hope that puts the Attorney's mind at rest and I hope that I am protected from further interjections. If I am not so protected, I will not return the Attorney-General's cab-charge slip which the taxi driver gave me last night. However, I will not pursue that matter in this debate.

The Hon. L.H. Davis: It is relevant to small business.

The Hon. R.I. LUCAS: That is quite right, the taxi industry is a very important part of small business in South Australia, and the Hon. Mr Davis rightly points out that it is relevant to this debate. Small business (that is, small business no matter how it is defined) is quite clearly a very vital sector of the South Australian and national economy. For every report on small business there is a different definition of what small business is. The most common definition is 'businesses that employ fewer than 100 persons'. The second most common definition is 'businesses in which the majority of the major managerial decisions are made by one person, and, at the most, two persons'. Quite clearly, 90 to 95 per cent of businesses in South Australia are caught under those definitions. We are told that 60 per cent of total employment in South Australia is caught within the definition of 'small business'. Clearly this is an important area and one about which both Government and Opposition members should be genuinely concerned.

The Hon. R.C. DeGaris: Would you use the State Bank to do the same thing?

The Hon. R.I. LUCAS: The Hon. Mr DeGaris raises an important matter by way of interjection. I refer him to the contribution made by Mr Scott Ashenden in the Lower House debate where he raised the possibility of a section of the new State Bank being given responsibility, in effect, for small business development and for the provision of finance to small businesses that qualify.

The Hon. R.C. DeGaris: Under certain circumstances there could be Government guarantees.

The Hon. R.I. LUCAS: Certainly. There would be nothing to prevent the Government from giving guarantees to the State Bank for certain loans to small business. That, together with an upgraded Small Business Advisory Bureau, could achieve the things that both Parties want to achieve for small business without having to rely on glossy new packages such as the Small Business Corporation. Once again, that is not easy to sell. 'Small Business Corporation' sounds lovely and looks lovely. It is, as the Hon. Mr Davis has said, a supposed political panacea for all the problems of small business.

The small business area is a vital sector of the economy but one that has major problems. I am sure that all members are aware of the wide variety of problems that exist for small business. I have grouped those problems under the following six headings: management; finance; education and training; industrial relations type problems; a broad section of Government sector charges and taxes, both State and Federal; and, finally, Government legislation and regulations. Time does not permit me to go through all those headings in detail, but I will refer to some aspects of some matters that I see as major problem areas.

Management is quite clearly a major problem for small business. It is a major reason for the high failure rate of many small businesses in South Australia and Australia. Indeed, the IBIS group indicated in a recent study that 64 per cent of failures of small businesses was due to management related problems. Of course, management related problems tie in with the general question of education and training programmes. At present a prolific range of training programmes is being offered by TAFE and various associations such as the Master Builders Association, which has a good and much applied for training programme for people in the building industry. Other employer groups also have training programmes.

I turn now to function 10 (1) *(b)* of the new glossy Small Business Corporation, which in part states that it is to promote, co-ordinate and, if necessary, conduct training and educational programmes related to management of small business. Given that we are to have this Corporation, I see that as being a most important (perhaps the most important) function of the new glossy Small Business Corporation.

The Hon. R.C. DeGaris interjecting:

The Hon. R.I. LUCAS: That is the way in which it is marketed—as a new, shiny concept.

The Hon. K.T. Griffin: Do you mean grotty?

The Hon. R.I. LUCAS: Not 'grotty' but 'glossy'. It is a glossy production from a glitter, glitter Government.

The Hon. J.R. Cornwall: I thought we were dull.

The Hon. R.I. LUCAS: No, it is Mr Cain's Government that is deadly dull and boring: you are a glitter, glitter Government. I turn back to function *(b)* in order to escape these interjections. It will be the function of the Corporation to conduct the training and identification programme for the management of small business. I see this as being the most important function of this new Small Business Corporation. I express concern that we do not have duplication. I hope that we do not have the Small Business Corporation conducting training and education programmes, because within function *(b)* it has that power. This is part of the problem of the concept of statutory corporations, particularly statutory corporations like this which have very wide powers and which can within those very wide powers seek to grow and grow and try to do more and more within its own area rather than, as I see it, implementing a more efficient way of ensuring the proper co-ordination of existing management training programmes in the community.

If there are gaps in the training programmes at the moment, I see the responsibility of the Small Business Corporation being not to set up the training programmes but to ensure that either TAFE or employer groups undertake those programmes. Many of the training programmes ought to be industry specific; that is, it is extraordinarily difficult for a bureaucracy like the Small Business Corporation to conduct training programmes relevant to a whole range of industries covered by small business, such as builders, taxi operators, delicatessen owners and a whole range of businesses covered under the definition of 'small business'. I believe that it will be impossible for the Small Business Corporation or any centrally located body to attempt to undertake training programmes that are industry specific and relevant to the delicatessen owner equally as much as they are to the taxi-cab operator and small manufacturing concerns.

The Master Builders Association ought to be encouraged to continue with its training programme for builders. The relevant trade association, perhaps the Mixed Business Association, ought to be encouraged to undertake industry specific training programmes for the small delicatessen—the mixed business section of small business. Equally in all other industry areas there ought to be training programmes that are industry specific. It is possible that where there is not a strong enough trade association or employer group in a particular industry area the facilities of TAFE could be used. That to a degree is being done at the moment and ought to be encouraged.

I do not believe there is any need under clause 10 (1) *(b)* of this Bill for the Small Business Corporation to get itself into the business of conducting those training and educational programmes. It ought to be in the business of co-ordination and ensuring that these training and educational programmes are provided by other bodies and institutions.

Under the general area of training and educational programmes, if we are looking at alternative ways of delivering the service that the Small Business Corporation will attempt to deliver (and I suppose that the Small Business Corporation could look at this as well under function 10 (1) *(b)*), is the concept perhaps of providing to trade associations and employer groups part subsidies for managerial training officers. Take a specific example: say the Mixed Business Association wanted to undertake training programmes for delicatessen owners, but with its current resources was unable to do so; the Small Business Corporation together with the Mixed Business Association could employ a training officer attached to, say, the Mixed Business Association.

That subsidy ought to be on a declining basis, perhaps starting at a relatively high subsidy in the first year and declining over three to five years to no subsidy at all. One would hope that after three to five years the Association would be convinced as to the value of that training officer and would thereafter be prepared to finance from its own resources the work of a training officer. I hope that the Small Business Corporation will look at that possibility, and I repeat that the Small Business Advisory Bureau, if upgraded, could have operated in this fashion.

One of the other major problem areas for small business is seen to be finance, in particular, access to suitable amounts of finance at what small business would see as suitable rates of interest or cost. The present operations of our financial system have to a degree operated against persons in small business. We have had through the banking sector supposedly access to finance of less than $100 000, being at a rate cheaper than finance of greater than $100 000. Supposedly, that was to be some sort of advantage or positive discrimination for small business, but, as is often the case when Government involves itself in the private enterprise sector, in this case the financial sector, the best intentions are not always achieved.

What has happened—and I do not blame the banks to any large degree—is that, if the banks have a certain amount of money to lend and have companies queueing at their doors to borrow the money, and if they can lend money at, say, 15 per cent and there are enough people prepared to take the money at that rate, they will not channel too much of their money into loans at 13 per cent. It is quite a sensible business practice for the banks. They obviously will make more money at 15 per cent than at 13 per cent; so why channel more and more of their available funds into loans at 13 per cent? Therefore, as I said, whilst we have a good intention from Government by regulation of the financial sector supposedly to assist small business, as is often the case, we find it discriminating against small businesses. As a result, more and more small businesses are unable to gain access to finance from the banks at, say, the 13 per cent, and find themselves having to borrow, for example, from finance companies at considerably greater rates of interest than, say, 13 per cent.

At this stage, I quote from an article from *Australian Business* of 10 June 1982 by John Gilmore, headed, 'Picking on the Battler: Why it is better to be a Foreign Company than a Small Business in Australia', as follows:

Little businesses like the Bootery—

which was the subject of the article—

are restricted in their borrowings by the banks and other institutions reliance on freehold security—in the long run pretty much the only major security accepted for small business borrowings. The banks and institutions make much of their occasional genuine cash-flow lending—but it is mainly to enormous corporate clients backed by governments or contracts with Japan.

Cash-flow lending seems to be a concept unknown to the banks which lend to small business. Dependence on freehold security reduces borrowing ratios sharply. In their great growth phases Myer financed 50 per cent or more of its assets with debt, Coles has touched 60 per cent, and even BHP has had more debt than equity in its balance sheet.

Yet the banks and other small business lenders insist that their small customers restrict their borrowings to very low levels—secured by bricks and mortar. Since freeholds often make up a small proportion of small business assets, the resulting gearing ratios are kept low.

In effect, lenders will often advance 60 to 65 per cent of freehold valuations, and if freeholds represent, say, a third of the small business assets, that indicates borrowings of perhaps 20 per cent of assets. So, small firms end up financing through debt about half the business their competitors [larger competitors] do.

That article by John Gilmore in *Australian Business* picks up an important problem in the financial sector as we know it in Australia. I give some due credit to the present Hawke Labor Government with respect to the moves that it has taken thus far in attempting to free up the financial market. I believe that some of the changes that have been recommended in the Campbell Report and the Martin Report have been taken up by the Hawke Government, and there are some which I hope will be taken up by the Hawke Government or a future Liberal Government and which will do a lot to provide much needed competition in the banking and financial sectors in South Australia and Australia.

If we do see more and more banking licences, whether they involve foreign banks or Australian institutions, perhaps like the Elders group which I believe is looking in the longer term for a banking licence then, with the influx of these new competitors, we will have the potential for greater competition in our banking and financial sectors. With that greater competition we may well see some change in the more conservative practices of the present banks, as ably set out in this article by John Gilmore in *Australian Business,* because some of the new competitors in the banking industry may be willing to a greater extent to enter the area of cash-flow lending rather than that of freehold security lending.

I believe that, if our financial institutions are willing to be innovative in their lending policies by getting to a greater degree into areas like cash-flow lending, there will be advantages to small business in particular. I see that as having a much greater potential for assisting the problems of small business with respect to finance than any glossy new package entitled 'Small Business Corporation', which will make grants and give loans and guarantees. Once again, I believe that it would be evidence of the the potential for a competitive or private enterprise system solving a major problem that we have rather than going down the tack, as Governments particularly of the Labor persuasion tend to do, of solving problems by creating bigger, and glossier bureaucracies like small business corporations.

Why not rely on a competitive private enterprise sector to solve the problem without having to create new bureaucracies and put more and more people on the public payroll when the natural corollary of that is, of course, that we must increase more and more State Government taxes and charges to pay for the higher levels of bureaucracy that Governments are giving to us, supposedly in our best interests?

I mentioned six major areas of problems, and I have referred to three (namely, management, education and finance) not in any great detail but in a very superficial way, because time does not allow any greater development of the very many concepts that I would like to explore in this most important area of small business.

The Hon. C.M. Hill: Are you in favour of a ceiling being placed on grants within the Bill?

The Hon. R.I. LUCAS: The Hon. Mr Hill asks whether I am in favour of a ceiling being placed on grants. I take it from his interjection that the honourable member distinguishes grants from guarantees.

The Hon. C.M. Hill: Yes.

The Hon. R.I. LUCAS: As the Hon. Mr Hill is well aware, we are looking at placing caps on guarantees. Yes, I must say that I would agree with the Hon. Mr Hill, if that is his view, that there ought to be a cap on top of grant levels. Once again, I refer the Hon. Mr Hill to the contribution made by Scott Ashenden in another place.

The Hon. C.M. Hill: I am not interested in what they say down there.

The Hon. R.I. LUCAS: I know the Hon. Mr Hill has a firm view on the role of this Chamber, and I support him in that, but I do not believe that that necessitates our not looking at what other people may offer by way of contribution to a debate. If the Hon. Mr Hill is reluctant to look at Mr Ashenden's contribution, let me summarise it by saying that he raised this question and indicated that under the Bill there is no limit and that the Small Business Corportion could give (there is some restriction with respect to the Treasurer having approval) $1 million, $2 million or $3 million. We could have Riverland canneries or State clothing corporations.

The Hon. L.H. Davis: Perhaps you should have a quick look at the purpose for which grants can be made in clause 14.

The Hon. R.I. LUCAS: That is an important interjection. That is covered by clause 14, which provides as follows:

(1) . . . the Corporation may make a grant to assist a person conducting or engaged in a small business—

(a) to obtain advice with respect to the management of the business:

(b) to undertake training or educational programmes relating to the management of small businesses;

or

(c) to improve by any other means the efficiency of the business.

(2) The making of a grant under subsection (1) is subject to the following provisions:

(a) the total amount paid in relation to each business by way of grants under this section must not exceed such limit as is from time to time fixed by the Minister—

which is the point made by the Hon. Mr Hill—

(b) the Corporation must be satisfied—

(i) that it is in the public interest to make the grant;

(ii) that there are reasonable prospects of significantly improving the efficiency of the business and of the business. . .

Certainly, under clause 14 (1) *(a)* or *(b)* I could not imagine that significant amounts in terms of millions of dollars could be given to obtain advice in respect of the management of a business or to undertake training programmes, but under paragraph *(c)* it could be interpreted widely by the Government of the day because it provides:

. . . to improve by any other means the efficiency of the business.

I am sure that the Hon. Mr Hill, with his experience in Government legislation, would agree that that is a very wide provision.

The Hon. C.M. Hill: It could include a complete reconstruction programme.

The Hon. R.I. LUCAS: That is quite right. Let us look at a business like the cannery, for example, that is in considerable difficulty. It may require major expenditure on new plant and equipment, a major marketing programme to re-establish its products in the market place, or increased

staffing levels. That whole range of activities could be covered under paragraph *(c)*, which provides:

To improve by any other means the efficiency of the business:

The Hon. C.M. Hill: Of course, that is in direct contravention of the small business concept of the Bill.

The Hon. R.I. LUCAS: I agree with the Hon. Mr Hill that there is potential for that to occur. Certainly, there is a wide ambit under paragraph *(c)* for the Corporation to make very large grants to businesses. It is at a tangent from the theme that I was developing but, in relation to the Hon. Mr Hill's question, I believe that we should look seriously at trying to cap the grant level. Once again, the point made by Mr Ashenden in another place related to the potential for conflict between the operations of the Small Business Corporation and the IDC. Mr Ashenden made the point that the IDC was a bi-partisan body with members of both major political Parties represented on it, along with the Under Treasurer.

I believe that Mr Ashenden made a persuasive case for the effectiveness of the IDC. He raised the potential for problems for the Small Business Corporation in this area. In effect, he compared it with the operations of the old South Australian Development Corporation. Mr Ashenden made the point that that body, in its grant making policies, for example, had in his view made a number of unwise grants. He pointed out that the Small Business Corporation would be open to greater political pressure in its grant policies than would the IDC. The IDC has a number of safeguards, and the Hon. Mr Davis will correct me if I am wrong, in that I think that four of the five members must agree to any decision. That means that, with two Liberal members and two Labor members, there must be at least one member of the Opposition who must agree with any proposal that is passed. The Treasury representative and one Opposition member could vote for a proposal. To a great degree, the IDC has a bi-partisan approach. Of course, that is not covered by the Small Business Corporation.

There is no requirement for bi-partisanship on the Small Business Corporation. However, I trust and hope that it will tackle its problems in that way. Clause 11 provides powers of the Minister in relation to the Corporation, as follows:

The Corporation shall, in the exercise and performance of its powers and functions, be subject to the general control and direction of the Minister.

I do not disagree with that provision. The Minister of the day of a particular Party in Government has power over the Small Business Corporation, so it is not a completely independent statutory Corporation. The Minister has some powers and, therefore, the Corporation is subjected to much greater potential for political pressure than is, say, the IDC.

I return to the theme that I was developing in relation to problem areas for small business, and I have already discussed clause 3. I will not expand at any great length on other areas of industrial relation problems, because of time constraints. Government charges and taxes is a critical area for small business. The Bill creates a glossy new package in the Small Business Corporation, yet we have other Bills before the Council (the Industrial Conciliation and Arbitration Act Amendment Bill, for example, and a wide variety of other Government proposals in the form of legislation and increases in Government charges) that adversely affect the operations of small business. Therein lies the hypocrisy of the current Government, that is, it offers a glossy package in the form of the Small Business Corporation to help small business, while on the other hand it increases 80 to 90 State taxes and charges which affect small business. Further, it introduces a whole range of other legislation (such as the Industrial Conciliation and Arbitration Act Amendment Bill) and regulations that will adversely affect the operations of small businesses.

I have looked at the six general problem areas. Clearly, the Government must work to help solve those problems, which are significant. The Government does have a role to play. I am not suggesting that I believe that we should have a dog-eat-dog approach in the market place. There is an appropriate role for the Government to play, but I do not believe that this Bill is appropriate, because it goes too far in the wrong direction in attempting to solve the problems of small businesses. I will make one or two other brief comments on miscellaneous matters in relation to the Small Business Corporation.

During the Premier's second reading explanation he instanced the success of the Small Business Development Corporation in Victoria as a reason for the proposal that is included in the Bill before us. I was fortunate enough to visit Victoria and speak with Albert Nelson, the General Manager of the Victorian Development Corporation. I spent some time with him discussing the activities of that Corporation. There is no doubt that the Victorian Corporation has had a good deal of success in most people's estimations. The moot point is whether that same level of success could have been achieved through other administrative mechanisms. I believe that it could have, while others believe the opposite. The general impression that I gained from people in Victoria, and even people involved in the small business area in South Australia, is that the reason for the success of the Victorian Small Business Development Corporation is not the fact that it is an independent statutory corporation, but rather because of the individual abilities of the people working within it, in particular, people like Albert Nelson.

The staff of the Victorian Development Corporation were hand-picked from the private sector, as I believe they should be, and have been very good staff members. They have a high level of expertise in the small business area and are seen as such by people who have anything to do with the Victorian Small Business Development Corporation. I repeat: those same people such as Albert Nelson and others working for the Victorian Development Corporation could still be employed by a small business advisory bureau attached to a Government Department, similar to Peter Elders' appointment here in South Australia. Those same people of quality can be attracted to advisory bureaux attached to departments without the need for small business corporations as separate statutory authorities.

The Hon. R.C. DeGaris: What other States have got a similar piece of legislation?

The Hon. R.I. LUCAS: I must confess that Western Australia either has a Development Corporation or is looking at getting one. The Hon. Mr Davis informs me that they are getting a Small Business Corporation. I believe that New South Wales does not have a separate Small Business Corporation but in effect had a unit attached to a department—very much the same as the South Australian situation. From reports from New South Wales, that unit operates very effectively. That proves that we do not need a new statutory authority to achieve the very needed improvements in Government action in the small business area.

The Small Business Corporation ostensibly is meant to be acting as an advocate for small business. The powers are given under clause 10. The working party report on small business proposed that this corporation should be an advocate for small business, and the Premier in another place in his second reading contribution indicated that the Small Business Corporation would be an advocate for small business. That is completely contrary to what the proper situation ought to be. Clause 11 provides:

The Corporation shall, in the exercise and performance of its powers and functions, be subject to the general control and direction of the Minister.

Clause 5 (1) *(b)* provides that six persons shall be appointed to the Board by the Govenor upon the nomination of the Minister and that the seventh one shall be the permanent head of the Deparment of State Development. How can anyone argue that the Small Business Corporation can be an independent and fearless advocate for small business when, as I indicated, in very many areas of State Government legislation, regulation, taxes and charges, the operations of small business are adversely affected? I am absolutely positive that we will not be seeing the Small Business Corporation in the public media belting the Government of the day over the head for increases in Government taxes and charges or for particular aspects of Government legislation and regulation.

Advocacy for small business ought to come from small business. Advocacy for small business ought to come from employer associations and industry groups and councils of those industry groups and employer associations.

The Hon. C.M. Hill: Educational institutions, too.

The Hon. R.I. LUCAS: That is possible. That is where the advocacy and the criticism of Government programmes, legislation and regulation ought to come from. We should not be saying that the Small Business Corporation is going to be the advocate for small business because, with the Minister's powers over the authority and over who is appointed to the Board, it cannot and will not be the fearless advocate for small business that small business requires. I do not know whether there are some problems with respect to co-ordination of representative groups in small business. I think the Hon. Mr Davis was going to refer to warfare going on between COSBOA (the Council of Small Business Organisations of Australia) and ASBA (the Australian Small Business Association). Both those groups are seeking to represent at a national and State level the interests of small business. I would hope that in due course they can work out their problems and that one of them will emerge as a representative of small business and will be the appropriate body to act as a fearless advocate for small business. That will be the body that will represent small business by criticising Governments of whatever political persuasion for their legislation, regulation, taxes and charges as they affect small business. That is the appropriate way for small business interests to be represented—not by a statutory corporation called the Small Business Corporation.

In conclusion, I refer to what is known as the Small Business Research Institute. COSBOA in March of last year indicated in its *Small Business Review*—'The National Voice of Small Business'—the following:

COSBOA has announced its intention to establish the Small Business Research Institute of Australia Ltd to provide independent objective research support for all concerned with improving the economic and social status of small business in the Australian community. Specific objectives of the Institute are:

1. To provide an impartial and authoritative unit which can carry out research into any matters or relevance to the successful growth of the small business sector in Australia.
2. To establish a research-oriented body which can enter into close liaison with the various cells in Government, the academic field, and industry and commerce with a view to developing and co-ordinating research programme setting priorities and maximising the utilisation of the very limited resources available.
3. To liaise with research oriented small business organisations overseas with a view to applying data, techniques and results to the Australian situation.
4. To publish papers on significant economic and social issues related to the small business sector.
5. To encourage greater research into the problems and needs of particular classes or small businesses by individual associations and to assist in the development of those research programmes where practicable.
6. To encourage specialisation throughout the education system in the teaching and study of small business operations as an independent field and as a result to encourage wider research and investigation into small business activities at graduate and postgraduate level.

I believe that that proposal is worthy of consideration. Once again, it is something being done by small business groups. It may require some initial assistance from the Government but, I would hope, it would be funded by private enterprise itself in the long run. I think it is a useful suggestion and one which Governments both State and Federal ought to think about. I would hope that in due course they may deign to support the proposal of COSBOA.

I would like to wrap up my contribution at this stage. I must apologise for my very superficial attempt at trying to address what is an important area in South Australia—the small business area.

The Hon. C.M. Hill: You will go into more detail during the Committee stage.

The Hon. R.I. LUCAS: Yes, that is an excellent suggestion. There are many matters that will need to be pursued at length during the Committee stage of this Bill. I apologise for my superficial approach, but time is restricted. There are many other matters that we should be mentioning in this important area but, as the Hon. Mr Hill says, that can be done during the Committee stage. I do not believe that a Small Business Corporation is necessary. I believe that we can achieve all things we need to achieve by upgrading the Small Business Advisory Bureau, freeing up the financial and banking sectors (as indicated by Campbell, Martin, and now the Hawke Government) and possibly some innovations being introduced by the State Bank. I believe that, together with reforms and innovation by the small business groups themselves, all that needs to be achieved for small business can be achieved in that way rather than by setting up, as this Government is attempting to do, a new and glossy small business corporation.

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

ROAD TRAFFIC ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 4 April. Page 3169.)

The Hon. FRANK BLEVINS (Minister of Agriculture): I thank honourable members for their contribution to this debate. There is clearly a fair bit of disagreement within the two Parties about what is precisely the nature of the proposed amendments. I think that the Committee stage of the Bill is the appropriate place to sort out such difficulties.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Power to stop vehicle and ask questions.'

The Hon. M.B. CAMERON: This clause changes the penalty. I will say more about this matter when we reach clause 8. However, there is an unproclaimed Act, No. 63 of 1982, which, in fact, raised this penalty. I am not sure whether my advice about this matter is correct and I have a suspicion that it is not. However, I indicate that there are problems associated with this Bill because it refers to sections that have been struck out of another Act of this Parliament that is unproclaimed. It will place this matter in confusion. I will say more about this when we reach clause 8.

The Hon. PETER DUNN: There are problems with this section of the Act. I am worried about the methods used to stop vehicles on roads. I was a passenger in a truck when a car drove past and pulled up 700 to 800 metres ahead. A person hopped out of the car and held up a table tennis bat

with the word 'Stop' on it. I can imagine this happening in the middle of the Eyre Highway at night and the driver thinking, 'I am not stopping—that could be anybody.' That, in my opinion, is not good. During the incident in which I was involved the vehicle was weighed and found to not be overweight, so everthing was okay. That is an untidy and messy method of doing things and I can see somebody getting hurt one day because of this method being used. I believe that there should be marked areas and weighbridges where this sort of thing can be done. There are weighbridges at Cavan, Port Augusta and Snowtown, which are the correct places to weigh vehicles and to check their width and height. If the people responsible want to set up a stopping site, then it should be done correctly. There is nothing to stop them using a mobile unit. However, a person getting out of the car and holding up a table tennis bat with the word 'Stop' written on it I can see being run over by a truck one day. These people often jump out of their cars wearing just a khaki uniform, so they could be anybody.

The Hon. FRANK BLEVINS: I note the honourable member's concerns and will draw them to the attention of the Minister of Transport. If there are further and more effective procedures that can be worked out I am sure that he will consider them or have his department consider them.

Clause passed.

Clauses 5 to 8 passed.

Clause 9—'Directions to comply with dimension requirements.'

The Hon. M.B. CAMERON: I ask members to vote against this clause. As I indicated earlier, there is an Act of this Parliament which is unproclaimed and which will have to be proclaimed. That Act of 1982 will be required in order that the NASRA regulations, which will be an important change in the transport industry, can be brought in. In the 1982 Act sections 139 to 142 have been repealed; yet in this clause these sections are referred to in the following terms:

> Where it appears to an inspector or a member of the police force that any of the requirements of sections 140, 141 and 142 are not being complied with in relation to a vehicle . . .

and it goes on to give other directions. I can see a real problem arising in relation to these two Acts. There at least needs to be a very full explanation of what the results will be on passing this Bill when an existing Act is unproclaimed, with sections that are referred to here wiped out. That really causes a problem.

The Hon. FRANK BLEVINS: As the Hon. Mr Cameron states, there is an unproclaimed Act that the Government intends to proclaim at the appropriate time. In the meantime, there are some problems with the Act, which we are working on at the moment. This Bill is to amend that Act so that the problems with which we are confronted at the moment need not linger on until the new Act is proclaimed. That is the reason for bringing down these amendments.

The Hon. M.B. CAMERON: Whilst I accept what the Minister says, I do not believe that that explanation is sufficient. I really do not see any problem associated with proclaiming the 1982 Act. The regulations are a separate matter altogether. If there are problems with them they do not need to be brought in until the regulations are finally ready, but if the Act is to be proclaimed and there are no problems it should be proclaimed. That would cure the necessity for this clause and clear away the confusion. So, I ask members to vote against it.

The Committee divided on the clause:

Ayes (8)—The Hons Frank Blevins (teller), G.L. Bruce, B.A. Chatterton, J.R. Cornwall, M.S. Feleppa, Anne Levy, C.J. Sumner, and Barbara Wiese.

Noes (11)—The Hons J.C. Burdett, M.B. Cameron (teller), L.H. Davis, R.C. DeGaris, Peter Dunn, I. Gilfillan, K.T. Griffin, C.M. Hill, Diana Laidlaw, R.I. Lucas, and R.J. Ritson.

Pair—Aye—The Hon. C.W. Creedon. No—The Hon. K.L. Milne.

Majority of 3 for the Noes.

Clause thus negatived.

Clause 10—'Duty of drivers as to determining the mass of vehicles and loads and the mass carried on vehicles and wheels.'

The Hon. M.B. CAMERON: This clause refers to penalties being increased from $600 to $2 000. In particular, it refers to penalties that will be applied to vehicles, many of which are now complying with NASRA standards when NASRA standards have not been brought in. So people are being prosecuted under standards that will become lawful, and should be lawful. People who have complied with the regulations, as everybody will soon, are being unfairly penalised. Therefore, I ask members to vote against this clause, and these penalties can be looked at again when the NASRA regulations have been proclaimed.

The Hon. FRANK BLEVINS: The Government believes that the increase in penalties from $600 to $2 000 is not unreasonable given the period since they were last increased. The standards and the law that apply at the time should be complied with. I urge the Committee to support the clause. However, in view of the vote on the previous clause when the Committee struck out clause 9 I will take the indication on the voices as being the wish of honourable members.

Clause negatived.

Clause 11—'Unloading of excess mass.'

The Hon. M.B. CAMERON: Similarly, although it is not quite the same, this clause almost word for word follows an amendment to the Act that was passed in 1982. So the same things are being done again. If the 1982 Act had been proclaimed this clause would not be necessary. It is unnecessary repetition and I ask that members vote against this clause.

The Hon. FRANK BLEVINS: There are still some problems with proclaiming the Act to which the Hon. Mr Cameron referred. As an interim measure, until that Act is proclaimed, the Government believes that this clause is necessary. However, as I indicated with clause 10, given the division on clause 9, I will accept that as the Committee's view of clause 11 also.

Clause negatived.

Clauses 12 and 13 passed

Clause 14—'Regulations.'

The Hon. M.B. CAMERON: This clause takes away the penalty limit that can be imposed upon people who have to have their vehicle inspected and who have not done so. Under this provision there will be no penalty limit. The limit was included specifically in the 1981 legislation and I believe it is unwise to leave a penalty with no limit in this area. It has been claimed that penalties must match the cost of inspections and in some cases inspections are undertaken on a 'cost inefficient basis'. There should be a limit to the penalty imposed to ensure that the Department makes certain that its costs are contained in providing inspections. Therefore, I ask the Committee to vote against the clause. I have no doubt that the clause will be considered in conference when further argument can be discussed.

The Hon. FRANK BLEVINS: I ask the Committee to support the clause because the $20 limit is totally unrealistic as the Hon. Mr Cameron said. An attempt is being made to bring penalties more into line with inspection costs but, as the numbers appear to be against me, I will accept your decision on the voices, Mr Chairman, as was the case on the last clause.

The Hon. PETER DUNN: This is an important provision because it seeks to strike out the penalty limit of $20. The

penalty will fall on people who live the greater distance from the city because it is reasonable to assume that charges will increase in response to inspection requests from areas far removed from centres such as Whyalla or at Mount Gambier where vehicle inspection costs would be high. There should be some restriction on inspection costs. Today, officers can go out and inspect a large number of vehicles at one time and I suggest that the cost of inspecting a dozen or more vehicles at once multiplied by $20 would closely recover these costs incurred at the present fee.

Clause negatived.

Bill recommitted.

Clause 4—'Power to stop vehicle and ask questions'—reconsidered.

The Hon. M.B. CAMERON: I ask the Committee to reconsider this clause for a reason similar to that advanced in respect to clause 10. People complying with the national regulations, which are to become law in this State, are presently being penalised because the national regulations are not yet in force in South Australia. That becomes unfair when penalties are increased considerably. The matter should not be allowed to lie until such time as the national regulations are introduced and, therefore, I ask the Committee to oppose the clause.

The Hon. FRANK BLEVINS: I ask the Committee to support the clause. The law is as it stands at the time and people ought to comply with the law as it stands at the time and not with any unproclaimed legislation. Again, as was the case with other clauses, I will accept your ruling on the voices, Mr Chairman, as to how the vote goes.

Clause negatived.

Title passed.

Bill read a third time and passed.

[*Sitting suspended from 1.2 to 2.15 p.m.*]

QUESTIONS

ABATTOIRS

The Hon. M.B. CAMERON: I seek leave to make an explanation before asking the Minister of Agriculture a question regarding abattoirs.

Leave granted.

The Hon. M.B. CAMERON: The Port Lincoln Abattoirs reopened in February after a two-month closure. The meatworks has been the subject of growing concern to the Port Lincoln community and the Eyre Peninsula community as a whole. In December last year the Minister, as reported in the *News* of 5 December 1983, stated:

> The Government was not thinking of a closure and was doing all it could to keep the works operational.

Does the Minister believe that the Eyre Peninsula meatworks now has a more reasonable future? Can he give a guarantee that the meatworks will remain open in the foreseeable future? Is the $8 million capital works programme announced for Porter Bay in Port Lincoln by the Premier today subject to a trade-off for the closure of the Eyre Peninsula meatworks?

The Hon. FRANK BLEVINS: If I have understood the honourable member's questions correctly, the replies are as follows:

1. No.
2. No.
3. No.

The position at the Port Lincoln abattoir is as it was six months ago, and probably many years prior to that. It is still a very difficult situation indeed. I can recall last year in this Chamber when the Budget Estimates Committee was sitting that the local member, the member for Flinders, Mr Peter Blacker, asked me questions similar to the Hon. Mr Cameron's first two questions. Essentially, my reply is the same. It is well known to everyone in the Council and to every member of the community who has an interest in the area that the Port Lincoln abattoir is very old, very large, and very expensive.

I think the anticipated loss this year for the Port Lincoln abattoir will be about $1 million. That is quite frightening, particularly as there seems to be no apparent end to the losses that the abattoir will incur. In fact, looking into the future of the Port Lincoln abattoir only indicates more and larger losses. How long that can be sustained is something that I think should concern every member of the Council and the community. As Minister of Agriculture I do not have an open cheque to draw on the taxpayers of this State. There will come a time when losses of that magnitude cannot be sustained.

I have visited Port Lincoln and I have spoken on this matter on at least two occasions, and perhaps more. I have told everyone at Port Lincoln the same thing. In no way have I tried to minimise the difficulties being experienced by the Port Lincoln abattoir. I have not tried to minimise the situation to the employees of the abattoir in relation to the cloud that hangs over their future. I have also stated in *Hansard* for everyone to read that, if I were an employee of the Port Lincoln abattoir, I would be concerned about my future long-term employment in Port Lincoln.

The Hon. M.B. Cameron: When is a decision likely to be made?

The Hon. FRANK BLEVINS: A decision on Port Lincoln will be made as soon as it is practicable to do so.

The Hon. M.B. Cameron: In the meantime, it is still under a cloud?

The Hon. FRANK BLEVINS: I think it has been under a cloud for the past 20 years. It is under a cloud, and that has been the case certainly for as long as I can remember. When it is turning in losses of the order of $1 million and upwards a year it will remain under a cloud, as will any other business that is turning in losses of that magnitude. If the Port Lincoln abattoir was a private concern and not a Government operation, it would not be under a cloud—it would not exist, because private firms cannot sustain losses of that kind. I point out that the $1 million—

The Hon. M.B. Cameron: You indicated earlier—

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: —is coming from somewhere, and it is coming directly out of the pockets of taxpayers. I ask members whether a limit can be set beyond which we cannot go.

The Hon. R.J. Ritson: Maybe there would be no loss at all if it was not run by the Government.

The Hon. FRANK BLEVINS: I will come to that in a moment. Is there a limit beyond which we cannot go? Do we say that we will spend $1 million this year, $1.5 million next year, and $2 million the year after? If someone could tell me the limit, I could then give a more definite answer to the Hon. Mr Cameron, but no-one can do that. I have a great deal of sympathy for the people who work in the Port Lincoln abattoir, and I have said that on many occasions. However, I cannot guarantee that the Government, on behalf of the taxpayers, will say forever more that this facility will remain when it is used spasmodically, when a significant proportion of the Eyre Peninsula stock is not killed through the Port Lincoln abattoir, and when a considerable amount of the meat consumed at Port Lincoln is not killed locally at its abattoir.

The answers to those questions are very difficult but they must be asked. I commend the Hon. Mr Cameron for raising the issue again. As regards the Hon. Dr Ritson's

interjection in which he said that, if the abattoir was not run by the Government, perhaps there would not be a loss: whilst I have no authority to do so, I am prepared, if the Hon. Dr Ritson or anyone else wishes to take over the Port Lincoln abattoir and run it as they wish, to arrange for that to be done later this afternoon. I am sure that there would be a quick meeting of Cabinet and the Hon. Dr Ritson could have the Port Lincoln abattoir and run it as he wishes.

The Hon. C.M. Hill: Throw in the Riverland as a bonus.

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: The Hon. Mr Hill said 'Throw in the Riverland as a bonus.' If that makes it more attractive for the Hon. Dr Ritson, although it may take a little longer, if I have until 4 o'clock I may be able to arrange that also.

The Hon. C.J. Sumner: Ritson can manage it and Hill can finance it.

The Hon. L.H. Davis: Dr Cornwall can slaughter them. He does it all the time.

The PRESIDENT: Order! That is enough.

The Hon. FRANK BLEVINS: The Porter Bay project has no relevance at all to the Port Lincoln abattoir.

The Hon. M.B. Cameron interjecting:

The Hon. FRANK BLEVINS: The honourable member has asked me a question. It is true that the Porter Bay project will involve large amounts of taxpayers' money—millions of dollars. Those funds will be well spent and will be an investment for Port Lincoln and for the State. However, funds of that kind do not grow on trees but come directly from the pockets of taxpayers. If Governments decide to invest taxpayers' funds in one area, unless we continue to raise taxes, we must look for savings in other areas. It seems that the taxpayers of the State would be coming very close to saying that the Port Lincoln abattoir can no longer be sustained as a Government abattoir. Although that position has not yet arrived, the position is not good.

Beside the losses this year of about $1 million, a request has been put to the Government for some significant upgrading and maintenance of the Port Lincoln abattoir. Some large capital costs are to be incurred if the abattoir is to continue. Can we as a Government justify using the taxpayers' money to provide these very large items of capital expenditure in the knowledge that the abattoir will continue to make very large and increasing losses?

If I worked at the Port Lincoln abattoir, as I said during the Budget Estimates debate, I would be concerned, as I have said to those people face to face. However, if the Hon. Mr Cameron on behalf of the Opposition is saying that the Port Lincoln abattoir should be kept open irrespective of the losses that it makes, I would hope he will make that very clear to the Council now.

The Hon. M.B. CAMERON: Does the Minister stand by his statement in the *Port Lincoln Times* of 2 November 1983 that the decision on the future of Samcor's Port Lincoln abattoir will be made this financial year and, if so, can he indicate the approximate date on which that decision will be made?

The Hon. FRANK BLEVINS: 'Yes' and 'No'.

INDUSTRIAL MAGISTRATE

The Hon. K.T. GRIFFIN: Has the Attorney-General an answer to the question I asked yesterday about Industrial Magistrate Shillabeer?

The Hon. C.J. SUMNER: The withdrawal of Mr Shillabeer's commission arose out of the passage of the Magistrates Act, which removed magistrates from the Public Service. The Industrial Court alerted the Minister of Labour to a potential problem with Mr Shillabeer, who had a dual role of Industrial Registrar and Industrial Magistrate. It was agreed that Mr Shillabeer could not act as both the Registrar (a public servant) and Industrial Magistrate (a judicial role). Accordingly, it was decided that Mr Shillabeer should remain as Registrar and not be appointed a magistrate.

There were two matters not finalised at the close of business. One had proceeded for two days and the other for four days. There is no alternative but to commence those matters before a magistrate. The question of any reimbursement for costs will be addressed if the matters proceed to trial again and additional costs are thereby incurred.

The Hon. K.T. GRIFFIN: In the light of that decision by the Government to withdraw Mr Shillabeer's commission as a magistrate, is the Government proposing to make any other appointment to the industrial magistracy to take over the workload that Mr Shillabeer, as Industrial Magistrate, was exercising before his commission was withdrawn?

The Hon. C.J. SUMNER: There is no immediate intention to do that, as I understand from the Minister of Labour. Obviously, the situation will be kept under review.

SALARY STATISTICS

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking the Attorney-General, as Leader of the Government in the Council, a question about salary statistics.

Leave granted.

The Hon. ANNE LEVY: There has been speculation in the press about the number of people who have been lifted from one tax bracket into another because of the award granted in the national wage case yesterday. It can be extremely difficult to get information on just how many people fall into different salary ranges but I presume that it is easy enough to get such statistics for the South Australian Public Service. I am interested in the salary range above $40 000 a year, which I understand is the EO1 range and above and which can be regarded as the more senior positions in the South Australian Public Service. Can the Minister obtain information as to how many people in the South Australian Public Service are on a salary of $40 000 a year or above, and how many of these people are females? Would it be possible for similar figures to be obtained for other States and the Commonwealth Public Service, and, if so, what are they?

The Hon. C.J. SUMNER: I do not know whether or not that information can be obtained. I should have thought that some of this information would be readily available through the research service in the library. I will ascertain whether or not this information can be obtained and advise the honourable member of my findings.

COMMISSION OF AGED CARE AND SERVICES

The Hon. C.M. HILL: I seek leave to make a brief statement before asking the Minister of Ethnic Affairs a question about a proposed Commission of Aged Care and Services.

Leave granted.

The Hon. C.M. HILL: In the Government's election promises of 16 months ago, under its ethnic affairs policy and the subheading 'Health', reference was made to a promise to establish a Commission of Aged Care and Services. It was stated that an ethnic aged consultant would be appointed within that Commission to be responsible for information and action on special health, welfare and accommodation needs of aged migrants. What has the Minister of Ethnic

Affairs been able to achieve during the past 16 months towards bringing that promise to fruition?

The Hon. C.J. SUMNER: That is the commitment that was made and it will be kept. There have been discussions about the precise role of the Commissioner for Aged Services. I anticipate that legislation will be necessary to establish the office of Commissioner and to determine the powers and authority of that office. I do not recall the precise timetable, but I believe that the honourable member will see some announcement with respect to this during the next few months. I am not sure whether the legislation will be introduced in this session, but it will have to be introduced; my impression is that it will probably be introduced in the Budget session, which will commence in August.

COUNTRY HOSPITALS

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

Leave granted.

The Hon. R.J. RITSON: Information is virtually flooding in to the effect that in the country recognised hospitals very large numbers of patients, including large numbers of patients who have private hospital insurance, are electing to enter hospital as Medicare patients. The sorts of figures that have been given to me by practitioners in the country are of the order of an 80 to 90 per cent drift to the Medicare system, including large numbers of people who are still carrying private health insurance. In a sense, this could be somewhat of a bonanza for the private health insurance organisations because they have the premiums, and the claims are not being made against those premiums.

The principal reason for this in those country hospitals is that they are often only one doctor or one practice towns in which the doctor is placed in a position of going to work for the Government to compete against himself. So, the patient gets the same doctor, the same nurse, the same hospital and the same treatment, their only choice being whether he or she wants a bill and to make a claim or whether to forget about it and be charged nothing; the majority of people are choosing this latter course.

The concern is that, first, Governments will be paying out, in respect of these patients, moneys that should have been paid out by the insurance organisation carrying the risk and that, therefore, the estimate of the Government cost of supplying Medicare services in this region may be far too low. The other concern is that the revenue base of such hospitals may be eroded because I understand—and the Hon. Dr Cornwall can correct me if I am wrong—that the amount of funds that a hospital receives for treating a Medicare patient is somewhat less than the usual private charges for private patients.

I would like an explanation from the Minister of the effect of such a drift on the revenue base of these hospitals, because I have heard much anxiety expressed that the revenue base might be eroded by this drift. The other thing that has been expressed as a matter of concern is that, given that so many patients are choosing to be treated in this way, even though they have private hospital insurance, perhaps large numbers of them intend to drop that insurance when the time for premium renewal falls due. If that happens, for any substantial or complex procedures they will become dependent on the large teaching hospitals.

My question is this: will the Minister first explain the effect on the revenue base of country hospitals of such a big drift from private to public patients in those hospitals? Does he have any estimate of the percentage of people with hospital insurance who will drop this insurance when premium renewals fall due? Does the Minister still hold to the opinion that he stated in the last Estimates Committee; namely, that the major teaching hospitals would suffer an increase of only 4 per cent in work load with the advent of Medicare?

The Hon. J.R. CORNWALL: If I can answer the third question first (while it is still fresh in my mind), yes, I do, and early experience to date indicates that there is not any sort of massive move to the public hospital system. I said at the time that I believed the major move would be between classifications within the teaching hospitals. In other words, the lower income earners who did not qualify as health card holders and who were compelled to date to take basic hospital insurance under the fifth Fraser scheme would elect to simply have the cover which is provided by Medicare.

So, when those persons go to a teaching hospital or a public metropolitan hospital now, they will be classified as public patients. They will receive exactly the same treatment by exactly the same doctors, but they will be public rather than private patients because they opt out of basic hospital insurance. Of course, that means there will be no direct cost to the patient whatsoever, for either hospital or medical services.

In the country the situation is very different. Patients are realising that, if they go to the Bordertown hospital, for example, where there are a small number of doctors in the town, they will see the same doctor in almost all circumstances, whether or not they are a public or private patient. What is tending to happen is that a large number in some areas (larger in some areas than in others) have realised that, if they classify themselves or have the hospital classify them as public patients, even though they carry private insurance for the day when they might be referred to a private hospital in Adelaide, and they elect to be public patients upon entry or even after admission, they will not have to pay the gap.

I do not believe it is because in excess of about 80 per cent of patients at Bordertown are good democratic socialists that they are electing to be public patients. The simple fact is that by doing that they do not have to pay the gap of up to $10. The grapevine works exceedingly well in these circumstances. Even people who initially are admitted or who desire to be admitted and classified as private patients get talking to the patient next door and are advised that, since Dr X. is going to see them, whether or not they are private patients, the wise thing to do is to toddle down to the desk in one's dressing gown and reclassify oneself, as they see it. Certainly, that is causing a problem in regard to the traditional patterns or mix of private *versus* public patients as far as doctors are concerned. It is causing no problem at all as far as hospitals are concerned—none whatsoever.

If I revert for a moment to the Adelaide metropolitan area, if one goes in as a public patient to a public hospital, one will be assigned a doctor, and certainly not a doctor of one's choice, as it is not normally understood, or consultant of doctor's choice. If, on the other hand, one goes into, say, the Bordertown hospital, where there are only a limited number of doctors (and there is any number of, say, two, three or four doctor towns in South Australia with recognised hospitals, as the Hon. Dr. Ritson would know) as a public patient, he will see Dr Ritson, anyway, if Dr Ritson is the local doctor. Potentially, that creates a problem for the doctors in the mix of private and public patients that they are seeing, but it creates no problems for hospitals.

Regarding the revenue base, it makes no difference to the hospitals themselves because they are allocated annual budgets. The Hon Dr Ritson should know—and if he does not I will explain it to him and anybody else who wants to listen—that hospitals do not collect their fees, put them in their trading account and offset them against their expenses:

hospitals collect fees on behalf of the South Australian Health Commission and all of those fees go into a central fund. What happens is that hospitals are allocated a budget by negotiation each year so that whether the budget is $1 million, $10 million or, as in the case of the Royal Adelaide Hospital, closer to $100 million, the number of private versus public patients that are admitted to that hospital makes no difference to the hospital itself.

In terms of the revenue collected centrally by the Health Commission, of course, it does make a difference. In the negotiations that led to the signing of the Medicare agreement and the new financial arrangements which replaced cost sharing, a specific arrangement was made whereby the South Australian Government, via the Health Commission, will be compensated for the additional number of patients who might be classified as 'public' in our public hospital system.

So, the short answer is no immediate effect on the hospitals' budgets, some impact on the Health Commission's budget, but a clause specifically written in so that the Health Commission will receive monetary compensation from the Federal Government for the additional number of public patients who might arise in the system. So, the net effect in terms of what percentage of the GNP is spent on hospital care is nil; the net effect on the Health Commission's budget is virtually nil; and the net effect on the individual hospitals' budgets is nil. The effect on the doctor's pocket can be substantial because, of course, in country hospitals doctors are paid on a modified 'fee for service' basis for treating public patients, rather than 100 per cent of the scheduled fee or above, which they would claim from private patients. The modified fee for service is usually based on 85 per cent of the fee. So, the effect is on the pockets of the doctors—not on the hospital, the Health Commission or the system.

The Government is aware of the problem and it is one of the conditions I put to the AMA and SASMOA when I met them on Monday night in an attempt to forestall this very foolish strike proposed for next Monday. As a precondition to further negotiations or meeting the undertakings I asked two things: first, that the doctors withdraw the threat to strike because nobody can reasonably deal while that threat is hanging over their head; and, secondly, I insisted that, when they recommend to their membership that they withdraw the threat to strike, they also recommend to continue practice as usual, pending the Pennington Committee of Inquiry's report being available for consideration by the Government, the profession and other interested parties. In return for that undertaking—and they will be giving me an answer at 7.30 tomorrow evening—I said that, first, I would appoint management and/or accounting consultants to conduct a review of private practice in public hospitals. That matter has been well publicised. The report of those consultants would form the basis of a report. I sought the cooperation of the AMA and SASMOA in joining with me, as Minister of Health, so that we would have a tripartite report prepared by consultants at the expense of the Health Commission. That report would go to the South Australian Cabinet and would form the basis of a report to go to the Pennington Committee of Inquiry, hopefully, with a South Australian Cabinet endorsement, plus recommendations which would come from the Government, but in which the AMA and SASMOA do not have to join. That will be stage one and I anticipate that that will be completed within a month from next Monday when the consultants are appointed.

Stage two is the clear undertaking, when the stage one review is completed, that we would immediately have the consultants move to stage two which would be a review of the practice in all recognised country hospitals as a basis for a submission to the Federal Government. The patterns of practice in country hospitals are concerning doctors because, as I explained at some length, the impact is on their incomes. I think that it is just as important that we should have an idea of what sort of income is generated in those hospitals, one way or the other.

The Hon. L.H. Davis: You went on record on 27 December and said that 85 per cent of the schedule fee is a good idea for doctors.

The Hon. J.R. CORNWALL: Have you finished? The honourable member talks a lot of nonsense.

The PRESIDENT: Order!

The Hon. C.M. Hill: Did you watch the *Good Morning Australia* programme this morning?

The Hon. J.R. CORNWALL: No.

The Hon. C.M. Hill: You were on it.

The Hon. J.R. CORNWALL: Is that right? What else would the honourable member like to chat about? I have almost finished, Mr President. As I said, stage two will be a review of practice in country hospitals. That would form the basis for a report, hopefully, prepared in conjunction with the South Australian branch of the AMA and SASMOA. That report would again go to the South Australian Cabinet when it was completed for Cabinet's consideration and, hopefully, for its endorsement and that, in turn, would be forwarded to the Federal Minister and the Federal Government to outline the pattern in South Australia and the possible problems existing.

So, we are aware that the doctors consider that there is a problem which, from their point of view, is worse in some hospitals than others. Provided the doctors call off this threat of the stupid, irresponsible and contemptible strike proposed for Monday and undertake to continue practice as usual under the Medicare arrangements until post-Pennington, then they will be directly involved in the stage two review also.

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Minister of Health a question about country hospitals.

Leave granted.

The Hon. L.H. DAVIS: I wish to pursue some of the aspects that have been touched on already by my colleague, the Hon. Dr Ritson. As he clearly indicated, the introduction of Medicare some eight weeks ago has already had a dramatic impact on hospital services in country areas. I understand that in public hospitals patients with private health insurance are being actively encouraged to have themselves admitted as public patients.

The Hon. B.A. Chatterton: By whom?

The Hon. L.H. DAVIS: The Hon. Dr Cornwall indicated that it was a matter of private patients in their pyjamas toddling down to the administrator, having realised the virtues of being a public patient, and admitting themselves, rather than being actively encouraged. I have received some evidence that, on admission, patients are being encouraged to have themselves admitted as public patients. Of course, as the Hon. Dr Cornwall already observed, this has led to an increase in public patient/private patient ratio in a number of country hospitals. I have been told that, whereas the mix before the introduction of Medicare was in the order of 50 per cent public and 50 per cent private, it has drifted out to 70 per cent public and 30 per cent private and, in some cases, even higher. The consequences are already obvious. Again, the Hon. Dr Cornwall has admitted that hospitals do not receive the benefit of fees from the private health insurance groups—they are now being paid by the doctor.

The Hon. ANNE LEVY: A point of order. I think that the honourable member is exactly repeating what the previous questioner said. Can a question be asked twice? Surely this is against Standing Orders?

The PRESIDENT: The explanation, I believe, is rather repetitive of the previous explanation, but I do not yet know the question.

The Hon. L.H. DAVIS: As the Minister of Health has already observed, much of the work in country hospitals is undertaken by specialists visiting from Adelaide.

The Hon. J.R. Cornwall: Some of it is, but not much.

The Hon. L.H. DAVIS: Some of the significant work in country hospitals is undertaken by specialists visiting from Adelaide. The Minister admitted that, with a reduction in income, that may place in jeopardy some of the country visits by visiting Adelaide specialists. It will simply be not worth while for them to visit country centres, given that they have a reduction in fees and an exorbitant facilities fee to pay. In addition, I understand that there are already difficulties in finding specialists prepared to live and practise in two large country centres. The practical effect will be to force country people who require specialist attention to come to Adelaide, thereby lengthening queues at Adelaide hospitals. This morning I received evidence which suggests already that there is a build up of country patients visiting community hospitals in Adelaide.

The Hon. J.R. Cornwall: Where did you get that evidence from?

The Hon. L.H. DAVIS: The Hon. Mr Cornwall is the Minister of Health and supposedly he has his fingers on the pulse. If he does not know about it, that is his affair.

The Hon. J. R. Cornwall: You've had your fingers in some stranger places than the pulse.

The PRESIDENT: Order!

The Hon. L.H. DAVIS: Once again, the Minister of Health demonstrates his contempt for the Parliamentary process and the pursuit of information, which is what Question Time is all about.

The Hon. J.R. Cornwall: Where did you get the information from? You made a ridiculous statement which—

The PRESIDENT: Order!

The Hon. L.H. DAVIS: I am not aware of the Minister of Health telling me which trucks he followed when the Liberal Party was in Government for three years and he was shadow Minister of Health. As the Minister has already observed, some of these matters are under investigation, but it is certainly a matter of public interest and concern, and I believe immediate concern. My questions to the Minister are as follows:

1. Does the Minister confirm or deny that in country public hospitals patients with private health insurance are being encouraged to admit themselves as public patients?

2. Will the Minister advise what change has taken place in the public patient/private patient ratio in country hospitals since the introduction of Medicare?

3. Can the Minister advise the Council as to whether there is any evidence of any increase in the number of country patients seeking treatment at metropolitan hospitals rather than country hospitals?

The Hon. J.R. CORNWALL: Again, I will answer the third question first. There is very little evidence indeed of any increase in country patients seeking accommodation and treatment in private hospitals in metropolitan Adelaide. There is very little evidence indeed of visiting medical specialists from Adelaide withdrawing their services from country hospitals.

The Hon. L.H. Davis: There is an inquiry pending—we know that.

The PRESIDENT: Order! The Hon. Mr Davis will have an opportunity to ask a supplementary question. I ask him to let us hear the Minister's reply.

The Hon. J.R. CORNWALL: I repeat: there is very little evidence of that happening. Initially, I think there was some evidence of a total of four city specialists visiting five different country hospitals who wrote to their patients indicating that they might do that or they were thinking about it, and in one case a particular surgeon cancelled a list that had already been prepared. Those specialists were visiting country hospitals on a monthly basis for half a day or thereabouts. To this point, the impact on visiting medical specialists to country hospitals has been absolutely minimal. However, that is not to suggest that there is not a perceived problem as far as the profession is concerned, and I will return to that in a moment.

I will correct one of the many falsehoods put forward during the Hon. Mr Davis's lengthy explanation. The Hon. Mr Davis said that Medicare was having a severe impact and a deleterious effect (or words like that) on country hospitals. That is simply not right— it is totally incorrect. It has had virtually no effect at all on the excellent hospital services that are provided in South Australia.

It is grossly irresponsible for the Hon. Mr Davis, who is rather notorious for his irresponsibility, to canvass that in this Parliament. In fact, the Hon. Mr Davis behaves like a school boy most of the time. He debates like a schoolboy debater: 'on the one hand we have this; on the other hand we have this.' Of course, the Hon. Mr Davis is now trying to cause fear and alarm abroad in the community. He should grow up! The Hon. Mr Davis is the only bald-headed teenager ever to be a member of this Council. The Hon. Mr Davis should try to behave responsibly.

The Hon. M.B. Cameron: Calm down, the television camera has gone.

The Hon. C.M. Hill: Give us a replay of your performance with Dr Dutton.

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: If honourable members have finished interjecting, I will continue. It is interesting to hear the Leader of the Opposition interjecting and going off in a very strange sort of way. He denigrates me at every possible opportunity and he vilifies me both publicly and privately for my actions in valiantly defending the patients of South Australia. I will continue to do that while I have the strength to stand on my feet. The Hon. Mr Cameron should get that through his head right now. The Hon Mr Cameron's carping criticisms do not concern me one bit. As I said earlier in the week, it is hardly surprising that the Hon. Mr Cameron has spent the great majority of a fairly long Parliamentary career on the back bench and in Opposition.

In relation to the allegation that patients are being actively encouraged to classify themselves as public patients, I presume that the inference was that they were being actively encouraged by me as Minister of Health, or by the Health Commission as a matter of policy, or by admission clerks at the front desks of hospitals, or by some other person or persons unknown and unnamed, like the source of the Hon. Mr Davis's alleged information. The fact is that most of the people in this State are rather intelligent. It does not take long for the grapevine to spread the word around country hospitals, as I explained at great length in my response to the Hon. Dr Ritson's question. It does not take very long for people to realise that, if they go to a country hospital where there is only one practice servicing the hospital with only two, three or four doctors, they will in all probability see the same doctor, whether they classify themselves as public or private patients on admission.

Human nature being what it is, they will weigh the odds and will consider that if they are treated as public patients under Medicare there will be no direct hospital charge for medical services. In other words, the entire service will be free at the point of delivery, paid for partly through the Medicare levy and partly through taxes. On the other hand, if they classify themselves as private patients on admission,

they will not have to pay anything directly. They will be charged $80 per day, which will be fully refundable by their private health insurance fund. However, they will have to pay a gap up to $10 for the medical service they receive. Logically, they either know before they go into hospital for elective procedures or after they enter hospital what they will do, because patients (in the gossip that goes on in a hospital, while patients are ambulatory—before surgery particularly) discuss their classifications and whether or not they are private or public patients.

The answer may be 'I am a private patient.' The next question may be, 'What did you do that for? Who is your doctor?' The answer is 'My doctor is Dr Brown.' Then comes the comment. 'You will see him whether you are a public or private patient. The sensible thing for you to do is to toddle back to the front desk and have yourself reclassified.' There is certainly no policy on behalf of the South Australian Government or no direction from me as Minister of Health and most certainly no direction from the Health Commission with regard to classification. It is the patient's right to elect. It is called, I believe, 'freedom of choice' about which we have heard so much from Conservatives for more than a decade. That is the nub of the matter which the honourable member is canvassing.

With regard to visiting specialists in country hospitals, I have already explained that at stage two of a review I have undertaken to carry out, hopefully with close co-operation and on a tripartite basis with the AMA and SASMOA, after we have finished looking at the patterns of private practice in public hospitals, we will then go on to review the patterns with regard to country hospitals and the difficulties that might be perceived, especially by doctors. Even prior to giving that undertaking I had publicly early last week, or sooner, undertaken (in the case of visiting medical specialists from the metropolitan area who claimed particular disadvantage because of travelling expenses and the fact that they may only be remunerated in the majority of cases on modified fee for service) to review on an individual case by case basis the situation of any visiting medical specialist who cared to bring it to the attention of the Health Commission.

So, all these things are well known to me. They are either under review currently or are about to be reviewed by consultants who will be appointed on Monday. I talk to the representatives of the South Australian Branch of the AMA and SASMOA on a regular basis. I talked to them as recently as Monday night, as everyone will be aware, and I will be talking to them tomorrow evening when I hope that they will be telling me that they are not about to put themselves in a situation where they may be held in contempt by the people of South Australia and that they have decided sensibly to call off their strike.

I believe that that covers everything except the matter of the private to public patient ratio in country hospitals. I do not have an overall exact figure with me but, certainly, the Medicare taskforce that has been set up in the Westpac building in Pirie Street has been monitoring this closely. I saw figures only about 10 days ago which indicated that it varied from hospital to hospital and that it was more spectacular in some areas than others. Bordertown I mentioned specifically because a large majority of patients there have been classifying themselves as public patients, whether or not they have private insurance. As I said earlier, and I repeat, I suspect that in places like Bordertown they are not doing it on any ideological grounds. I do not think the democratic socialists are thick on the ground in the Bordertown district but those people are able to do their sums. They are doing it purely because it saves them the gap at this time.

TROUBRIDGE

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister of Agriculture, representing the Minister of Transport, a question on the costs of the *Troubridge.*

Leave granted.

The Hon. PETER DUNN: I note in the Editorial of the *Stock Journal,* which the Minister is reading at the moment, that a small article is featured about the *Troubridge.* That article states:

> The *Troubridge,* carrying as it does both the inputs and the production of Kangaroo Island's rural economy, is the only form of subsidised public transport available to the island. The proposal to fully recover costs within nine years, sustantially lifting freight rates each year, is without precedent.

It further states:

> Take the same reasoning to its logical and not so distant next step and you will have the State querying the 'subsidy' it pays to the Murray Mallee. The Murray River, after all, neatly splits the State in half. We choose to bridge it or install ferries wherever necessary. But do we levy bridge or punt passengers who need to do business across the river?

It also states:

> The O-Bahn busway, which will run down the river valley, will not be a money spinner for this allegedly dollar-conscious Administration. Could it possibly be these outer suburbs return mainly Labor members of Parliament?
>
> Who was the last Minister to express similar concern over the Festival Centre's drain on State funds? When did we last hear a call for metropolitan bus and train fares to be progressively increased to the point of meeting costs?

Given the stated facts, that is subsidies to the State Transport Authority, subsidies to the O-Bahn system and subsidies to the Festival Centre, what criteria does Cabinet use to impel it to recover fully the costs of the *Troubridge* service and is it now its intention to apply the same cost recovery criteria to the S.T.A., the O-Bahn, the Festival Centre and other Government cost-consuming agencies?

The Hon. FRANK BLEVINS: I will refer the honourable member's question to my colleague in another place and bring back a reply.

PARLIAMENT HOUSE TOILETS

The Hon. ANNE LEVY: I seek leave to make a brief statement before asking you, Mr President, a question on signs.

Leave granted.

The Hon. ANNE LEVY: Mr President, I am sure you are aware, as are many others, that the signs on toilets at this end of the building have certain anomalies about them. On the first floor there are two toilets, one labelled 'Ladies' and the other labelled 'Gentlemen'. The same applies in the basement where there are two toilets, one being labelled 'Ladies' and another being labelled 'Gentlemen'. However, on the ground floor of this building there are two toilets with rather anomalous labels. One is labelled 'Private' and the other is labelled 'Members only'. It is rather difficult to tie that in with the normal division of toilet facilities. The toilet labelled 'Private' is a women's toilet. As far as I know it is used by all women who work within the building.

The sign on the door labelled 'Private' certainly seems most anomalous—private to whom? The sign on the male toilet is even more anomalous. It states 'Members only' but, as far as I know, it has for many years been used by any male working in the building, not only those who happen to be members of Parliament. I presume that the sign predates 1959, up to which time all members of Parliament were male. It is certainly anomalous these days that a male's toilet should be labelled 'Members only'. Mr President,

could you arrange for the signs on these toilets to be made more appropriate to the function of the toilet behind them or I might feel moved to use the toilet behind the door marked 'Members only', understanding that it may cause consternation to some other people present.

The PRESIDENT: I thank the Hon. Miss Levy for drawing the anomaly to my attention. I will give it every consideration and ascertain whether the anomaly can be rectified. The signs have been there for a very long time and I really have not observed any problem, but I thank the honourable member.

ADELAIDE RAILWAY STATION DEVELOPMENT BILL

Second reading.

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

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

On 1 October last year the Premier signed an agreement with Kumagai Gumi and Company Limited and the South Australian Superannuation Fund Investment Trust which cleared the way for the development of an international hotel, a commercial office building, an international standard convention centre, and a number of other developments at the Adelaide Railway Station site. This agreement, which I now table, was the culmination of efforts to secure the development of the Adelaide Railway Station by both my Government and the previous Government. The major provisions of the agreement were fully outlined in another place in the Premier's statement of 27 October 1983. The Premier said in that statement that the Government would introduce an empowering Statute similar to the Victoria Square (International Hotel) Act, 1980, to give effect to the agreements reached between the Government and the other two parties. Section 2 *(p)* of the document sets out the Government's obligation in this regard.

This Bill provides for an Act which vests the site in the State Transport Authority, provides certain exemptions from State Government and local government rates and charges, streamlines the planning process, and provides temporary access to the site across parklands. Members will see the commitments that the Government has made on these specific matters outlined in the principles for agreement which I shall outline in more detail later. The Bill vests the railway station site and its environs in the State Transport Authority. None of the land so vested is parklands. Most of the land has in fact been alienated for railway purposes since the Act No. 126 of 1878 and some of the land is already vested in the State Transport Authority. The clause also clarifies certain difficulties that have arisen in the title. It varies the boundary near the rowing club boat sheds close to the Morphett Street bridge where some encroachment has occurred over the years. It vests in the State Transport Authority part of the roadway between the railway building and the Constitutional Museum. The roadway has always been assumed to be an S.T.A. roadway and is maintained by it.

This site has been surveyed and outlined on a plan deposited in the General Registry Office at Adelaide. The Bill also provides that part of the site will be that portion of land detailed in the schedule to the Bill. This portion consists of land which is vested in the Festival Centre Trust. It has been included as part of the site to ensure that it is covered by the same planning controls as the rest of the site but not vested in the State Transport Authority. It has been included because Government believes it is necessary to provide the option for the developers to utilise this area for underground car parking and because in any event this area must ultimately blend with the rest of the development. However, before any further action is taken in respect to this portion of land an agreement will have to be reached between the ASER Property Trust and the Adelaide Festival Centre, particularly as it concerns car parking for Trust staff for which the land is currently used. Clause 5 simplifies planning controls concerning the development.

The City of Adelaide Development Control Act does not bind the Crown. However, successive governments have always taken the view that while the Crown is exempted under the Act, all State Government departments and statutory authorities should act as if bound by it. The principles to be followed in this regard were most recently set out by a Cabinet decision of the previous Government on 17 June 1980 and detailed in Premier's Department Circular No. 39 dated 26 June 1980. These guidelines require that projects by Government departments and statutory authorities should be referred to the City of Adelaide Planning Commission for comment in relation to the principles of control and regulations. They also provide a procedure for resolving disagreements between the developing agency and the Commission which give the final authority to Cabinet.

While this project is not strictly being undertaken by the South Australian Government, it is nevertheless being constructed on property owned by a Government instrumentality. The Government is providing certain incentives by way of concessions, has undertaken to provide financial guarantees, and will be leasing a substantial proportion of the buildings on completion. Consequently, the Government believes that it is appropriate that this project be regarded as a Government development for the purposes of section 5 of the City of Adelaide Development Control Act. A later clause of the Bill, clause 8, ensures that the development plans will be subject to comment by the City of Adelaide Planning Commission. As I have outlined, the intention is that the projects be treated as outlined in the Premier's Department circular to which I have referred.

Clause 5 also gives the Minister of Public Works the power to grant exemptions from the Building Act. The intention here is simply to ensure that the necessary approvals are given with a minimum of delay. It is not the intention that the project be absolved from the requirements of the Building Act but that it be given a fast track through the approval process. Clause 6 provides for exemptions from rates and taxes and other imposts. Members will see that this clause is in similar terms to section 4 of the Victoria Square (International Hotel) Act, 1980. However, that Act did not provide for council rate exemption as the council itself was involved in the Victoria Square project. It also provided for pay-roll tax exemptions which have not been given to the ASER development. As members would be aware, these concessions are quite appropriate to secure the benefits that developments of this kind bring to the State, and as these rates and taxes are not now being collected, there is no actual cost to the taxpayer. The question of exemption from council rates has been discussed with the Lord Mayor of the City of Adelaide.

Clause 7 of the Bill is designed to facilitate access to the development site. As members would appreciate, the site is adjacent to parklands. This clause gives temporary access during the development stage only. Clause 8 provides for the promulgation of the development plan by way of reg-

ulations to allow the Adelaide City Council and the City of Adelaide Planning Commission to make representations in relation to the development as I have already outlined. As I have already pointed out, the Bill is similar to that which was introduced in 1980 to facilitate the development of the Hilton Hotel in Victoria Square. However, that Bill was introduced in advance of any principles of agreement being signed by the Government. I would also remind the Council that those principles of agreement were never made available to the Opposition. The nature of the Bill is such that, as an enabling measure, it does not attempt to deal with every aspect of the proposed development. For example, the question of a guarantee is more appropriately dealt with under the Industries Development Act.

The Bill is also not intended to relate directly to each section fo the principles for agreement. However, I believe that it would be appropriate if I now went through that agreement in some detail. Much of the document is self-explanatory. Honourable members will see on page 1 a reference to a separate agreement between Kumagai Gumi and SASFIT who have together formed the ASER Property Trust. As that document involves matters of commercial confidentiality, it will not be tabled. However, the details of the financial relationship between the two partners and the means by which they will finance the project will, of course, be available to the I.D.C. when the question of the guarantee is considered. Page 2 of the principles for agreement sets out the scope of the development and the extent of the investment by Kumagai Gumi and SASFIT.

Honourable members will see that there is provision for the construction of interchange facilities between transport modes if required. It is not now intended that there be this interchange as its contruction is not fundamental to the improveent of public transport, and would not be the most effective use of funds. This was also recognised by the previous Government. Section 1 of the agreement sets out the obligations of the joint venturers. Members will note that 1 *(e)* requires that design work proceed quickly and that 1 *(f)* gives the Government the power to approve those designs. At this stage, design work is proceeding but is, of course, not yet finalised. Section 1 *(g)* requires the joint venturers to use their best endeavours to ensure that the development complies with the reasonable requirements of the City of Adelaide Planning Commission. I have already outlined the procedure that will be followed in this regard under clause 5 and clause 8 of the Bill.

Section 2 of the agreement sets out the obligations of the South Australian Government. Section 2 *(a)* relates to the definition of the site which is dealt with by clause 4 of the Bill. Section 2 *(b)* of the agreement sets out the rental which should be paid to the State Transport Authority. Section 2 *(c)* provides that the Government shall sublease for a period of 40 years the convention centre and carpark. The rental has previously been outlined and comprises 6¼ per cent of the capitalised costs of the convention centre and the carpark and 30 per cent of the public areas. The rental is to be adjusted for c.p.i. increases. This type of rental arrangement is identical to that entered into by the previous Government for the construction of law courts in the Moore's Building. I will, however, make the point that on this occasion it is being used to facilitate the construction of a revenue generating project.

Section 2 *(d)* provides that the Government will sublease up to 11 000 square metres of available office space or if it chooses not to do so, to guarantee a comparable return. The Government Office Accommodation Committee, which is chaired by an officer of the Public Service Board, has recommended that the Government should take up the option of leasing the available office space. Members will note that the schedule attached to the principle for agreement sets out a minimum rent for the office space. The agreement provides that the rental will be either the minimum as outlined in the formula contained in the schedule, or a fair market rental comparable to many buildings the Government occupies elsewhere in the City, depending on which is the greater. Due to the increase over the last few months in commercial rents, it is now apparent that the Government will be able to sublease the office space for no greater cost than it would need to pay for comparable office space elsewhere in Adelaide.

Section 2 *(e)* relates to the guarantee on the loans provided by Kumagai Gumi and, as I have already stated, this will be dealt with under the Industries Development Act. Section 2 *(f)* relates to a warranty to SASFIT on the return to them from the operation of the international hotel. That warranty would not be applied if a casino was established at any place on the site. Subsequently the investors have confirmed their understanding that this included the Railway Station building. However, following the determination of the Casino Supervisory Authority this warranty no longer has to be given. Section 2 *(g), (h), (i),* relate to the exemptions from rates, taxes and other imposts, which is dealt with in clause 6 of the Bill.

Section 2 *(j)* provides for the provision of infrastructure during the construction stage of the development and 2 *(k)* deals with the question of access which is covered by clause 7 of the Bill. Section 2 (1) of the agreement requires the Government to appoint a Minister to give all necessary approvals. I have dealt with this in describing the effect of clause 5 of the Bill. Section 2 *(m)* concerns the right of the body to have first right to lease the railway station. This section was designed to ensure that any application for a casino within the railway station building, if in fact such a facility was approved, would be integrated with the rest of the development. Section 2 *(n)* provides that the South Australian Government will not provide direct or indirect financial assistance for any other international hotel within four years of the opening of the hotel comprised in the development.

Section 2 *(p),* as I have explained, relates to the Government's commitment to introduce legislation to give effect to the agreement. Section 2 *(g)* acknowledges that the approval of the FIRB is required because of the involvement of Kumagai Gumi in the development. This Bill provides for an enabling Act to facilitate the development of the railway station site. It is not a financial measure and does not commit revenue of the State, except indirectly by way of the exemptions it provides. However, the principles for agreement do raise the question of the financial exposure of the Government.

There are two issues involved here. First, the guarantee on the loans by Kumagai Gumi, and secondly the possible subsidies towards the operation of the carpark and the convention centre. As regards the guarantee on the loans, this matter will go before the I.D.C. However, preliminary estimates prepared by Treasury indicate that on average projections, there is likely to be an outstanding loan of approximately $25 million after seven years secured by assets with an estimated net worth of $162 million. As to the convention centre and the carpark, our current estimate is that the Government's exposure will be of the order of $1 million a year in 1986 terms. However, a financial exposure of this order has to be measured against the considerable economic benefits to South Australia and the financial benefits to the Government's revenue. Apart from the benefits of the extra employment that will be created during the construction phase and the very real boost the development will give to our tourist industry, the Government will gain directly from pay-roll tax receipts and other

revenue sources once the exemptions provided in the Act have expired.

At this stage it is not possible to be too precise. This is because the design process is not yet complete. The rental to be paid by the Government varies depending on the capital cost of the facilities it is leasing and the Government is concerned that the project be designed in such a way as to maximise the economic benefits. For example, we are still studying the options available for the convention centre. It is already apparent that by designing a centre that can be also used for exhibitions and perhaps even certain forms of entertainment, we will have a facility which could generate much more revenue. Members will note that the Bill before the Council requires under clause 8 that regulations be tabled outlining the plan for the development of the site. I will provide the Council with full details of the design and the various costs involved when those regulations are tabled. The development of the railway station site has been discussed for some years. It was always clear that the site would not be developed unless the Government was prepared to play an active role in facilitating the development as well as providing incentives to potential developers. The agreement that the Premier signed in Tokyo last year, and now this Bill, are important steps to ensure that the project succeeds. It will itself bring enormous benefits to South Australia and also act as a springboard for new growth and development in our economy.

Clauses 1 and 2 are formal. Clause 3 provides definitions of terms used in the Bill. Clause 4 provides for the vesting of land. Clause 5 by subclause (2) exempts the proposed development from the requirements of the City of Adelaide Development Control Act, 1976. The exemption only applies in relation to the development plan which must be promulgated by regulation. Subclause (3) empowers the Minister of Public Works to give exemptions from the Building Act, 1970, to facilitate the proposed development. Subclause (7) provides for the expiry of the exemptions provided by or under this clause. Clause 6 provides exemptions from certain rating and taxing legislation. Clause 7 provides for access over and occupation of Adelaide City Council land adjacent to the development site. Before conferring such rights the Minister must confer with the council. Clause 8 provides for the promulgation and amendment of the development plan. Subclause (2) provides for consideration by the Minister responsible for planning of representations made by the Corporation of the City of Adelaide and the City of Adelaide Planning Commission in relation to the plan or an amendment of the plan.

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

OMBUDSMAN ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 4 April. Page 3171.)

The Hon. C.J. SUMNER (Attorney-General): I will reply briefly to the Hon. Mr Griffin's second reading speech. It appears that the Opposition is supporting this Bill, but in a somewhat churlish manner. The Hon. Mr Griffin accused the Government of having breached a promise in this area. I want it on record that that is arrant nonsense. The introduction of this Bill was agreed to by the Ombudsman and implements a promise made prior to the last election. The Ombudsman had for some time criticised the fact that he did not have the authority to carry out any sort of preliminary investigation and that when he wanted to conduct an investigation he had to notify the head of the department or authority that he was investigating.

Under this Bill the Ombudsman will not have to do that until he decides to conduct a full investigation. The commitment given by this Government has been completely met on two fronts: on the question of the exchange of information between Ombudsmen, which was resisted by the previous Government for some obscure reason, and the question of notice prior to commencing an investigation. I remind the Hon. Mr Griffin, as he has made this allegation, that on 16 October 1982, the day after a press report appeared on the Ombudsman's report (which was tabled in the Parliament) Parliament rose for the 1982 election. It was a very good report, too. The following day I gave a commitment on behalf of the Labor Party which appeared in the *Advertiser* on 16 October 1982. I said that a Labor Government would review powers under the Ombudsman Act, a recommendation that Mr Bakewell had made, and would support exchange of information between State Ombudsmen within certain guidelines. That has been done.

The Hon. K.T. Griffin: You also said—

The Hon. C.J. SUMNER: Just a moment and I will tell the honourable member what I said.

The Hon. K.T. Griffin: Don't be too selective.

The Hon. C.J. SUMNER: I will tell the honourable member exactly what I said in that newspaper article under the heading 'Ombudsman's Recommendations Ignored—Government accused of negligence'. This was the Liberal Government of which Mr Griffin was a member. The report states:

> The Ombudsman's annual report was a 'damning indictment' of the Tonkin Government, the Leader of the Opposition in the Legislative Council, Mr Sumner, said yesterday. 'The Government has been negligent in failing to act to enlarge the Ombudsman's powers,' Mr Sumner said. 'Recommendations have now been made on three separate occasions and all have been ignored by the Government.'
>
> Mr Sumner said a Labor Government would immediately review the powers of the Ombudsman, currently Mr R.D.E. Bakewell, and would remove the requirement that the Ombudsman must notify a Government department before starting an investigation into it. Mr Bakewell called for the removal of that requirement in a special report to Parliament earlier this year. 'This restriction on the Ombudsman's powers is like the police being required to notify participants in an illegal casino that they are about to be raided,' Mr Sumner said.

Two undertakings were given, one about the exchange of information and the other, which I repeat for the benefit of honourable members, that we would review the powers of the Ombudsman and remove the requirement that he must notify a Government department before starting an investigation into it. That is the commitment that is being honoured.

The Hon. K.T. Griffin: That is not what you are doing in this Bill.

The Hon. C.J. SUMNER: It is what we are doing in this Bill; the honourable member knows that, quite clearly. An Ombudsman does not have to notify a head of department that he is carrying out an investigation once this Bill is passed. He can carry out preliminary investigations and when he determines whether a full-scale investigation is necessary, then, obviously, at some point in time, he must notify the head of the department involved. What he will be able to do under this Bill, once it is passed, is conduct an investigation without notifying the head of a department. This is what he requested in successive reports to the Parliament and this is what the Liberal Government refused to accede to. This is the commitment that I gave on 16 October 1982 and the commitment that is fulfilled by this legislation. I thank honourable members for their contribution, but I had to clarify that complete misunderstanding

that the Hon. Mr Griffin had created about undertakings given by me.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—'Procedure on investigations.'

The Hon. K.T. GRIFFIN: Before I move an amendment to this clause will the Attorney-General say what he envisages is covered by the description 'preliminary investigation'?

The Hon. C.J. SUMNER: It covers what it says: those matters that are necessary prior to determining whether or not a full investigation into a particular administrative act is required. It will be a matter of discretion for the Ombudsman to determine where a preliminary investigation ends, when he either stops investigating or decides that a full investigation is required. It is in broad terms; I concede that. That was the undertaking given by the Labor Party prior to the last election, one that is now being fulfilled. It will be a matter for the discretion of the Ombudsman as to at what point in time a preliminary investigation ceases and he then decides that he should not proceed further because there is nothing in it or that he will notify the head of the department involved and proceed with a full investigation.

The Hon. K.T. GRIFFIN: Does the Attorney-General envisage that it will be limited to verbal communications between the Ombudsman and public servants, or will it involve access to documents?

The Hon. C.J. SUMNER: That will depend on circumstances, but it may involve access to documents. Clearly, the way the clause is drafted, it gives the Ombudsman that power. If the Ombudsman oversteps his authority in this area there could be proceedings taken to restrain him. We believe that the Ombudsman should have fairly extensive powers.

We believe that it is in the interests of good government for the Ombudsman to be able to investigate thoroughly administrative acts, to rectify individual grievances and to report on general Government procedures that may need tightening up. That can only be beneficial to good government, whatever Government is in office. For that reason we have moved the amendment, but it is not possible under the amendment to indicate that a certain line of inquiry is automatically excluded from the Ombudsman's authority.

The Hon. K.T. GRIFFIN: I take it from that that the Attorney-General is of the view that the Ombudsman, in the exercise of what the Attorney-General says is his discretion, can enter a department, agency, or local council without identifying any administrative act and, in effect, go on a fishing expedition, having access to any documents or papers if the Ombudsman asserts that it is preliminary to an investigation—in effect, to have open access to documents and records without constraint other than the nebulous constraint of court action if somebody believes that it is not a preliminary investigation.

The Hon. C.J. SUMNER: The amendment says 'a preliminary investigation of an administrative act'. So, clearly, there is a prerequisite of an administrative act being required. That is the basis of the Ombudsman's powers.

The Hon. K.T. Griffin: He does not have to define it at that time, does he?

The Hon C.J. SUMNER: Not at that time, no. Clearly, if the Ombudsman were to go on a fishing expedition all over the Government service without homing in on administrative acts he would be acting beyond his powers. The amendment is admittedly broad. It gives discretions to the Ombudsman, but it also says that it is a preliminary investigation of an administrative act. So, there must be an administrative act at which the Ombudsman is looking. In doing that at the preliminary investigation stage he has some discretion; there is no question about that.

The Hon. K.T. GRIFFIN: Let me express my concern about that because clearly defined powers, responsibilities and obligations ought to be placed on the Ombudsman, and in respect of the Ombudsman, as also clearly defined responsibilities and obligations ought to be defined in respect of public servants and the various agencies of Government and local councils. It will be shown in practice to be most unwise to have a concept so ill defined as a preliminary investigation being the basis on which the Ombudsman or any of his officers can undertake a preliminary investigation.

It is correct that that preliminary investigation must be an investigation of an administrative act, but at the stage of a preliminary investigation, whatever that may be, there is no obligation at all for the Ombudsman or his officers to give any indication to the department, agency or local council as to what the administrative act may be. Although in theory there is a relationship between the preliminary investigation and the administrative act, in practice the Ombudsman will not have to define and crystallise it until he decides that he wants to go full bore on a full investigation.

I have no problems at all with the Ombudsman's making telephone or verbal inquiries without notice. That is on the record: both what I had to say during the second reading debate and in my letter to the Ombudsman back when I was Attorney-General. However, I have some difficulty with any Ombudsman, whoever that person may be and whoever his or her officers may be, being able to have access to documents, papers and files without at any time during the course of what the Ombudsman regards as a preliminary investigation having to identify the administrative act. That is my concern. It does not matter whether it is a Labor or Liberal Government in office from time to time or who the occupant of the Ombudsman's office might be; it is conducive to good government to have some greater definition included with respect to the Ombudsman's powers.

It is all very well to say if there is any dispute as to whether a course of action is a preliminary or a full investigation that one can go to court, but that in itself invokes a confrontation. On one occasion when I was Attorney-General there was a disagreement about what involved an administrative act. The Ombudsman was invited to take the matter to the Supreme Court for the purpose of clarification, but that happens only on rare occasions. I suspect that it will happen more frequently if there is the vagueness about the threshhold of preliminary investigation changing to a full investigation and if the Ombudsman for the time being is not required to give any clarification of the administrative act that is the subject of the preliminary investigation.

I express my concern about that matter. I believe that the Ombudsman ought to have wide powers—and that the office of Ombudsman is important in providing good government. When this concept of the Ombudsman was first taken up in Australia before I became a member of Parliament, I was vocal in support of that office, but it requires a clear enunciation of the powers, duties, responsibilities and obligations on both sides for it to work satisfactorily. That is the basis on which I express my concern about the vagueness of the Bill at present.

For that reason, I propose an amendment that will not hamper the Ombudsman in the course of a preliminary investigation, but will seek to clarify the respective responsibilities and duties and attempt to identify a threshhold at which some clarification has to be given by the Ombudsman of the administrative act which is the subject of the preliminary investigation. I move:

Page 1, after line 19—Insert new subsection as follows:

(1aa) Where, in the course of a preliminary investigation, the Ombudsman wishes to inspect a document held by a department, authority or proclaimed council he shall, before inspecting the

document, inform the principal officer of the department, authority or proclaimed council concerned of the administrative act that he is investigating.'

I make two points about that amendment: first, it is a requirement to inform the principal officer, not to give notice in writing. That was a misconception under which the Ombudsman laboured for some time, namely, that the requirement for notice in the Act had to be in writing. It is not notice in writing either under the present Act or under the amendment that I am proposing. Secondly, while the amendment refers to the information being given before inspecting the document, as with the present Act that information or notice can be given verbally at the point of inspecting the document.

There is no prejudice to the Ombudsman in the conduct of even a preliminary investigation by including this amendment. It overcomes what the Ombudsman sees as a problem in respect of telephone and verbal inquiries, a problem which I did not ever agree was a real one in practice. But, nevertheless, if the Ombudsman thinks that it ought to be sorted out, I am happy to go along with that. This amendment seeks to indicate that at the point of saying, 'I want this document or that docket in respect of such a person,' he identifies verbally or in writing (however he likes to do it) that he is investigating a certain and specific administrative act in respect of that matter. I do not see any problem with that at all, and I hope that the Attorney might be persuaded to accept it as a reasonable clarification of his amendment.

The Hon. C.J. SUMNER: I regret to say that, despite the honourable member's persuasive attempts to bring me around to his point of view, it would be clear from what I said in answer to his earlier questions that the Government does not see any need to restrict the Ombudsman in the way that the amendment seeks to do. As I said, the Bill as drafted gives the Ombudsman wide discretion. The Government believes that that discretion will be exercised responsibly. It does require an administrative act and it does restrict itself to a preliminary investigation, although that could conceivably involve a document. But, certainly, the Ombudsman at some point of time, if he decided that there is anything in the administrative act that he is investigating—anything in the complaint—he must then notify the department before he conducts a full investigation.

Clearly, it will not be possible for the Ombudsman to conduct a preliminary investigation of an administrative act and then report to Parliament on the basis of that preliminary investigation. That would not be proper under the Government's amendment. When the Ombudsman gets to the point of concluding his preliminary investigation and decides that there is nothing in it, that is the end of the matter. However, if he decides that there is something in it and he must investigate further, the Ombudsman must then notify the principal officer of the department, authority or proclaimed council of his decision.

I cannot see any justification for confining that discretion in the manner suggested by the Hon. Mr Griffin, his suggestion being that the Ombudsman should be confined, in the case of inspecting documents during a preliminary investigation, by notifying the principal officer of the department, authority or proclaimed council. I would not expect that the Ombudsman during the course of his preliminary investigation would be involved in massive searches or inspections of documents, although it may be that some of that is necessary as a proper part of his preliminary investigation. I believe that we are implementing the commitment given before the election and that the honourable member's amendment would restrict that commitment. Accordingly, I cannot accept it.

The Hon. K.T. GRIFFIN: I regret that the Attorney has not been persuaded that this amendment is worth accepting in the interests of good government. I believe that there needs to be some precision in the way in which the Ombudsman's rights and responsibilities and, as I have said, the obligations of departments, agencies and local councils, are defined. If the amendment is not carried this is certainly an area that I will be watching with much interest to see whether it does create the problems in the next few years that it may, and I believe could well, present—

The Hon. C.J. Sumner: It is a very good Government and there is nothing for the Ombudsman to complain about.

The Hon. K.T. GRIFFIN: I am not sure about that. We will debate that issue on another day. I believe that it is necessary to have this amendment to clarify certain aspects of the Government's amendment because, if my amendment is not carried, the existing provision will be open ended and there will be no clear indication of what a preliminary investigation is and when that sort of investigation passes the threshold of a full investigation. I think that both sides have a right to expect that the administrative act will be clarified at the earliest opportunity during the course of a preliminary investigation.

The Hon. C.J. Sumner: One has to have an administrative act: one cannot have an investigation at large under the Government's amendment.

The Hon. K.T. GRIFFIN: Technically, that is correct: the Ombudsman can conduct a preliminary investigation only in respect of an administrative act. But, he does not have to identify that administrative act when he begins his preliminary investigation, and that is the very point.

The Hon. C.J. Sumner: If he does not have it when he begins, he is acting outside his power.

The Hon. K.T. GRIFFIN: But there are no sanctions on the Ombudsman for acting outside his power. If he conducts the preliminary investigation and subsequently no administrative act is defined, there is no sanction against the Ombudsman. If one criticises the Ombudsman, one is probably in trouble publicly, anyway. So there really are no constraints in practice upon the Ombudsman in respect of the conduct of a preliminary investigation. I will not take any more time on this matter. I have made my point clearly. If my amendment is not successful, I will monitor the situation closely and, if in future there needs to be an amendment to ensure that there is a level of clarification of the administrative acts which are the subject of investigation, whether preliminary or full, I will certainly give positive consideration to such an amendment.

The Committee divided on the amendment:

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

Noes (10)—The Hons Frank Blevins, G.L. Bruce, B.A. Chatterton, J.R. Cornwall, C.W. Creedon, M.S. Feleppa, I. Gilfillan, K.L. Milne, C.J. Sumner (teller), and Barbara Wiese.

The PRESIDENT: There are 10 Ayes and 10 Noes. So that the amendment can be further considered, I give my casting vote in favour of the Ayes.

Amendment thus carried: clause as amended passed.

Title passed.

Bill reported with an amendment.

Bill recommitted.

Clause 2—'Procedure on investigations'—reconsidered.

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

That new subsection (1aa) be deleted.

I appreciate the fact that the Bill has been recommitted for the purpose of having another vote on clause 2. I do not

wish to go into the reasons for the non-attendance in this Chamber of the Hon. Anne Levy, but I understand that it had something to do with a question that she asked earlier in the day. In the light of the fact that her absence was beyond her control, I ask the Council to reconsider its vote.

The Hon. K.T. GRIFFIN: I was prepared to facilitate the recommittal only for the reason that the matter would, undoubtedly, have come back to us from the House of Assembly. However, the generosity that I have shown should not be taken as a reflection of any lack of concern about this issue. In fact, I still hold as strongly as ever to the view that there should be some clarification of the position that is reflected in the amendment which was successful during the most recent division. I intend to go through the same process of dividing on the issue because, I believe, it is important to have on the record the way in which each member of the Council votes on what I regard as an important issue.

The Committee divided on the amendment:

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

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

Majority of 1 for the Ayes.

Amendment thus carried.

Bill reported with a further amendment. Committee's reports adopted.

Bill read a third time and passed.

SMALL BUSINESS CORPORATION OF SOUTH AUSTRALIA BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 3270.)

The Hon. K.T. GRIFFIN: I do not support the concept of a small business corporation established by Statute, as this Bill envisages. Notwithstanding that, I will not stand in the way of the Government establishing this Corporation, if it believes that it is going to do something of benefit. However, I disagree with any suggestion that it will do anything of benefit for small business in South Australia that could not already have been done either through the State Bank or through other agencies of Government with the backing of Government guarantees under the Industries Development Act. One of my fears about the Small Business Corporation is that it will end up very much like the South Australian Development Corporation, which was abolished in 1981. Whilst the South Australian Development Corporation had some successes, it also had some noticeable failures by making or guaranteeing loans to certain businesses that were already on a downhill slide. It made funds available and gave support in that situation. Some of the problems of the South Australian Development Corporation included the fact that it was very susceptible to pressure from the Government of the day to take decisions to save businesses that, in many respects, were beyond help.

Some of the South Australian Development Corporation's notable failures include the still ailing Riverland Fruit Products Cannery (which was the result of direct involvement by the Corporation in conjunction with the South Australian Government), the Golden Breed fiasco with O'Neill Wet Suits, the South Australian Frozen Food Factory, Allied Rubber Mills and Thyer Rubber of Malaysia, and Denver Clothing. In each of those instances the loss sustained by the Corporation, and thus the South Australian Government, and thus the people of South Australia, was quite substantial.

Yet, some measures were included in the Industries Development Act to try to cushion the South Australian Development Corporation from the sorts of decisions which may ultimately result in the failures to which I have referred. There was a capacity for applications for guarantees or loans to be considered by the Industries Development Committee. There was a limit on loans to any one business and the Treasurer had to give his approval for loans and guarantees undertaken by the corporation. Notwithstanding those things, it still got into trouble.

So, we come to the Small Business Corporation proposed by this Bill. It will, to a very large extent, undertake the responsibility of Government and the Small Business Advisory Bureau in respect of the promotion of investment opportunities, the promotion of small business, provide advice to small business and generally provide a service to the small business community in South Australia. That is something already achievable and has already been done by the Small Business Advisory Bureau. It will provide financial assistance to small business by way of the guaranteeing of loans or the making of grants under the Act. Fortunately, it is not going to be involved directly in the making of loans. It will only be involved in the giving of guarantees. I suppose, to some extent, that is a better position to be in than was the old South Australian Development Corporation.

The State Bank can now make loans to small businesses. There is presently the capacity for the State of South Australia, through the Treasurer, to give guarantees of those loans or loans from any other financial institution and all that this Corporation will achieve is very much the same as what is already available, but it will do so at a cost. There will be the cost of running the operation, for a start. Because it is a statutory corporation, undoubtedly it will establish its own hierarchy and bureaucracy. It will undoubtedly seek to be largely independent of Government, although it is subject to the control and direction of the Minister. It will need its own infrastructure, which will cost more than the present operation.

In addition, it is required to pay a fee to the Treasurer for the guarantee which the State gives in respect of guarantees given by the Small Business Corporation to small businesses. That commission or fee will be passed on to the small business which is making use of a guarantee by the Corporation. So, in effect, we will have a loan by a private sector financing body at perhaps a rate of interest a little lower than the current rate, in view of the State of South Australia being the guarantor, plus a commissionable fee for that guarantee. So, ultimately the small business which is being supported by a guarantee from the Small Business Corporation may not be any better off than under the present avenues of finance and State Government guarantees.

It is interesting to note the definition of 'small business'. There is some precision initially, but it then wanders off into a vague misty world where there is no definition at all. For example, 'small business' means a business that does not form part of a larger business. That is a bit like drawing a distinction between a preliminary investigation and a full investigation. There is no clarity in that concept at all. However, a provision exists in the definition of 'small business' to allow a business or undertaking to be declared a small business or class of small businesses. So, even if a business may not be regarded by persons in the private sector as being a small business, it can be declared to be a small business for the purposes of this Act. Clause 3 provides the mechanism for making that declaration by notice published in the *Gazette*. I am therefore uncertain as to what this Bill really seeks to apply to in respect of small business. It may be that in the Committee stage the Minister will be

able to give some clearer definition of what the Government proposes in respect of a definition of 'small business'.

The functions of the Corporation have already been the subject of comment by me in respect of the guarantee of loans or the making of grants. The making of grants is to be for a specific purpose and the maximum amount of the grant may be fixed by the Minister from time to time. It would be helpful at this stage to have some idea of the current thinking of the Government as to the maximum which may be fixed by the Minister in respect of grants. In respect of guarantees, certain provisions exist to which a guarantee given by the Corporation is to be subject. Such criteria is specified in clause 13. There is a certain vagueness about the criteria which the Minister may be able to clarify in the Committee stage of the Bill.

In clause 13 the giving of the guarantee is subject to the total of each person's liabilities in respect of which guarantees are given, not exceeding a limit fixed from time to time by the Treasurer. A person who is the subject of the guarantee must agree to pay a commission for the guarantee on the amount of the loan of an amount fixed by the Corporation. Again, it would be important to have some idea of what sort of commission is being contemplated and whether or not that commission will be the same for all persons or businesses guaranteed. Alternatively, is it proposed to be variable according to the nature of the business and the nature of the principal of the business being guaranteed? All the liabilities incurred by the Small Business Corporation by way of guarantee are guaranteed by the Treasurer. A curious provision exists in clause 13 (4) that the liability of the Treasurer shall be satisfied out of the Consolidated Account which is appropriated by the section to the necessary extent.

That, quite clearly, is different from most appropriation provisions. It indicates to me that no further warrant is required to enable the Treasurer to make payment of any liability arising under the guarantee and that although it is to be satisfied out of the Consolidated Account it does not necessarily have to form part of the Budget and be approved by the Parliament at the time of considering the Budget. Will the Minister clarify the reason why this provision is included in clause 13? In respect of clause 15, again I draw attention to subclause (3), which provides that any liability of the Treasurer under a guarantee of the Corporation is to be satisfied out of the Consolidated Account, which is appropriated by a section to the necessary extent. That is a rather curious provision and suggests no further Parliamentary appropriation being required in respect of any guarantee.

I hope that, in respect of clause 15 (1), we will get some indication of whether or not in the foreseeable future it is proposed that the Corporation will borrow moneys from the Treasury and, if it is to borrow those moneys, the extent of such borrowings. One of the problems with the SADC is that it embarked upon significant borrowings which ultimately turned out to be necessary to meet bad debts. We found when it was wound up in 1981 it had very close to a $2 million liability, which was a charge against the State Treasury.

Clause 17 is also curious because it provides that except as authorised by the Minister and the Treasury no money shall be expended by the Corporation except in accordance with a budget approved by the Minister and the Treasurer. That is all very well so far as it goes, but it is a clause that I have not seen in legislation in recent years. I wonder why it is specifically included and whether or not it is proposed that in consequence of that clause the budget of the Corporation will not be subjected to Parliamentary scrutiny. In respect of clause 18, which to some extent is related to other clauses, I think it is important for us to know whether or not it is proposed by this Government that this Small Business Corporation will in effect be subsidising small business or whether the guarantees given to small business will be given at commercial rates.

If the Treasury does give certain guarantees and those guarantees are called up is there a proposal to recover the amount of any liability that the Treasurer has thus incurred? I presume that in giving any guarantees the Corporation will take adequate securities. Again, if that could be confirmed, I would appreciate it. Clause 21 provides that an application for a guarantee or grant under this Act must be made in writing to the Corporation. From there it appears that, provided the Corporation acts within its budget, it may agree to a guarantee or grant without any reference to the Treasurer. I am concerned that there is no other scrutiny of guarantees to be given. It may well be that this Corporation is used as a vehicle to avoid the obligations of Treasury and business under the Industries Development Act.

The Industries Development Committee is a bipartisan one which assesses all applications for Government guarantees and, as I understand the operation of that committee, it does approach its task responsibly and does not seek to bring Party politics into its deliberations. That committee is a very important screen in respect of all applications to the Treasurer of South Australia to guarantee liabilities. Of course, the Industries Development Committee will be involved in the letting of any guarantees given in respect of the Adelaide Railway Station development. It was involved in relation to the Hilton Hotel in Victoria Square and has been involved in considering guarantees, as I understand it, for as little as $10 000. Of course, one has to realise that by the very giving of a guarantee it means that there is a contingent liability assumed by the State of South Australia which at some time in the future may have an impact upon the Budget of the State and ultimately the taxpayers of South Australia.

Although the Small Business Corporation has authority to give guarantees it may, in fact, be used as a vehicle to avoid the stringent requirements and scrutiny provided by the Industries Development Act through the Industries Development Committee. I am not suggesting that all applications for guarantees should be scrutinised by the Industries Development Committee, but I will be supporting an amendment to be moved by the Hon. Legh Davis seeking to require that all applications for guarantees in excess of $50 000 be referred to the Industries Development Committee before being approved or disapproved by the Small Business Corporation. I need to make it clear that the $50 000 figure is not the point beyond which guarantees cannot be given because there is no limit upon guarantees within this Bill, unlike the Industries Development Act. The South Australian Development Corporation had a limit of $1 million on each loan it could make. There is no limit on the amount of any guarantee that can be given by the State of South Australia, so that is serious. It ought to be subject to some independent Parliamentary review if it exceeds $50 000 and the Industries Development Committee is ideally established and situated to undertake that responsibility, having members of both the major Parties and a Treasury officer on it.

I urge this Council, when the time arrives, to support a useful mechanism for scrutinising all applications for guarantees over $50 000 to ensure that there is some Parliamentary accountability of the Small Business Corporation. Remember, of course, that there is no limit on the guarantees and that any liability incurred as a result of guarantees being called up is already to be appropriated pursuant to the provisions of the Bill rather than being required to be appropriated in an annual or supplementary Appropriation Bill before this Parliament.

So, there will be no opportunity for any further scrutiny of the operations of the Corporation unless the Industries Development Committee is given a brief to scrutinise applications for guarantees over $50 000.

I do not believe that this Corporation is necessary or that it will do anything more than can be done by Government, the State Bank and other financial institutions at present. It will unnecessarily increase costs in servicing and providing advice to the small business sector. For those reasons I am not prepared to support the Bill, although, as I have indicated, because of the Government's commitment to it and its policy at the last election, this being a central plank to its policy, I am prepared to allow the Bill to pass and then carefully scrutinise the performance of the Corporation and the Government in respect of small business leading up to the next election.

The Hon. C.M. HILL: I have the same misgivings as the Hon. Mr Griffin just expressed in that peroration to his contribution. I can only say that it is not with any enthusiasm at all that I review the legislation, but at the same time I acknowledge that it was a plank of the Labor Party's platform at the last election. I take a very pragmatic view of the whole question of the establishment of small businesses because I established a small business myself many years ago and I have therefore had considerable experience in this area.

The aim of the Government is to assist small business in this era, particularly, when economic difficulties prevail, when unemployment is high and when productivity from the small business area is not as high as it could be. The Council should keep in mind this ultimate aim that we all have in trying to assist small businesses. It is a question of how one goes about achieving that aim. The aim is to develop prosperous businesses and to develop enterprise in this State from small businessmen and small company operations. We want to see more and more people standing on their own feet as entrepreneurs and developing their own concerns. We want to see them being able to meet competition and to display innovation and creativity. We want to see them coming into and expanding small businesses based on personnel training and skill of the individuals. If we are realistic we have to acknowledge that many of them will learn the hard way and that the ones who are good at their jobs will succeed and prosper.

So much theory on this question is being talked about in today's world that it is wise for us to accept that a very strong factor in the whole question is that hard work is necessary by those who establish or try to expand their small businesses. If Parliament can assist and achieve its aim of helping such people and improving this sector of the economy, there is no doubt that productivity in this State will rise, employment will get better and higher living standards of a real nature will be achieved. In that general uplifting of standards I acknowledge without any doubt at all that the small business sector plays a very important part.

The method of helping small business that has been adopted by the Labor Party is rather typical of its general approach. It involves the establishment of another statutory body; it also involves the widening of the public sector, and I have grave doubts that that is the right way to go about this question. The two main headings that the Bill stresses are that the Board will have an advisory role on the one hand and, secondly, that some financial assistance will be given as well. On this question of the advice that will be available from the new Corporation, I do not want to be unkind to public servants or to those people who take up appointments by the Public Service, but I do not think that such people can help small business men and women very much.

The main help as far as business advice is concerned has to be based on a correct education of those who are entering this area or those who are in it and wish to expand. There are many ways in which one's education can be improved in the training field. There are professional bodies helping all such people if they need help. Bodies such as the Institute of Management take on associate members and guide and help them with advice. This kind of advice comes within the marketplace, and the bureaucracy in the form of a corporation is not any part of the true marketplace.

I do not know of any examples of small business men or small business corporations where the proper training cannot be obtained from the marketplace. If the Government is involved in this area, no matter how well meaning it is and no matter how well meaning the employees of the Corporation will be as advisers, quite frankly, in the real and practical sense, that advice is nowhere near as good as the advice, help and training that such individuals can receive out in the marketplace, within the various institutions, professional groups and bodies, and so forth.

When one considers the motive behind the Government's measure in trying to establish this advisory area and when one considers the public cost and expense that is involved, I do not think that the benefits that it will bring will be nearly as great as the Government envisages. When one really gets to tin tacks, there are opportunities galore for small business people to get on their feet, to make a profit, to improve productivity and to play a very worthy part in seeing their own ambitions achieved in the business area and at the same time to contribute well to the economic progress of the State.

The second heading of funding might be broken down into two headings: first, the question of the guarantees of loans that might be sought and approved for applicants in the small business area and, secondly, straight out monetary grants. It was raised by the Hon. Mr DeGaris by interjection to an earlier speaker today. I stress it because I have had it in mind ever since this dream of setting up this Corporation has been envisaged. Here in South Australia we have our own State Bank, in an expanded form where the Savings Bank and the old State Bank are united into the one banking operation.

There are experienced, trusted and tried officers there who can give advice to small business men on the question of loans, and in many cases those officers and other trading banks and institutions can grant loans to such business people as applicants. However, where applications enter into the risk area and where for that reason it is quite proper for banks not to approve them in the ordinary way, there is no reason at all why a section of that bank or the loans department of that bank cannot go to Treasury and put the case that it would like to help the applicant but that normal banking procedures prohibit lending unless a guarantee is given by the State.

The Hon. R.C. DeGaris: That's much more efficient and a lot cheaper.

The Hon. C.M. HILL: Exactly. It is crystal clear, and that cannot be denied. It is cheaper, it is more efficient, and the whole matter can be handled by experienced staff within the banking structure and not by newly appointed public servants. In those circumstances we are not bringing in newly appointed personnel to the newly established corporation. The Government has the machinery through the IDC to process those risky applications. I support totally the principle that the State in some instances should stand behind some of those applicants and issue guarantees. If those applications are processed properly by the State instrumentality—in this case the IDC—and approval is suggested,

there is nothing wrong with the State backing that applicant in such a way that, perhaps in one or two years, there is no need for the guarantee to exist. Then, a year or two after that loan is repaid to the bank, we could have a successful business operation which could not have started unless the State had stood behind the proposition initially as guarantor. I do not want my contribution to be construed as being opposed to that principle. It is a question of how one goes about it: it is a question of being realistic and pragmatic rather than being theoretical. I think, therefore, that the State Government is really going about it the wrong way.

Turning to the subject of grants, I venture the opinion now that very few of those who receive grants under this scheme will succeed. If it gets to a point where a small business man has to be given money by the State (in other words, given the people's money) to establish his business, I do not believe that that person or company involved as an applicant has the qualifications to establish successfully in the business world.

The Hon. R.C. DeGaris: Will you support the clause providing a grant?

The Hon. C.M. HILL: I questioned one of the earlier speakers as to whether a ceiling should be put on the amount of the grant. The alternative is to oppose it altogether. I was brooding over the clause earlier today and I recalled that back in 1946 when I established a business I received a Government grant of £10; so times have changed. In those days the purpose of the grant was not just to help anyone establish his own business—the grant was made to help ex-servicemen to establish businesses: only ex-servicemen were entitled to apply. I am speaking from memory, but I think the maximum grant was £10. I remembered taking that money and buying a Fuller's plan book which in those days cost £10 and which was the land agent's bible. So, I was established in business with Government aid, and I do not want to be seen to be hypocritical now and say that I oppose this scheme.

The Hon. K.L. Milne: Don't you think there are special cases like inventors, or people who have spent much money, where the Government wants to make a refund and get them started?

The Hon. C.M. HILL: If there are special people, why can they not go through the channels of making an application for a loan and then, if it is too risky for the bank to approve, let the banks seek the State's backing by way of guarantee? In that way the money is repaid to the State. If a grant is given to an inventor it sounds all very well on the surface, but what if the invention proves very successful? Does the State get back its grant? Of course it does not.

The Hon. K.L. Milne: It gets it back in income tax.

The Hon. C.M. HILL: That is going round about the mulberry bush a bit, I think.

The Hon. K.L. Milne: They do it in America in a big way.

The Hon. C.M. HILL: I do not care about America. I do not know of any examples here of grants to establish business where those businesses, whether large or small, have succeeded. I do not think in the future that there will ever be a success story attached to the hand-out of the State's money to people.

The Hon. Frank Blevins: In any way at all?

The Hon. C.M. HILL: In respect of business establishment or business expansion. The Minister is surprised. He ought to think about the Riverland and elsewhere and find out what grants have done there. It might sound like a hard line to take, but business is hard, anyway. If people go out, stop being an employee and decide to run the risk of establishing their own entrepreneurial operation, they are in a hard world and they know the risks when they first venture out.

The Hon. Frank Blevins: Are you saying that there should be no assistance at all to establish a small business?

The Hon. C.M. HILL: No. The Minister has not been listening to what I have been saying. I have stressed that there is a case for Government guarantees for loans to help small business but those guarantees ought not to be invoked unless, in my view, a banking institution has processed the application and cannot see fit to make its loan through the normal banking processes.

The Hon. Frank Blevins: Guarantor of last resort?

The Hon. C.M. HILL: Yes, and I totally support that, especially in South Australia where business is not easy at any time. Some people just need that little help, but at the same time the Government has to be strong in its processing of those applications, and it should work through an independent institution such as the IDC and take its advice as to whether or not it agrees to the guarantee. Of course, there are other factors like the general question of State development and the need perhaps to establish new industries or, as the Hon. Mr Milne said, where inventors may be aspiring in the market place. Considerations like that should be taken into account by the IDC in my view, but I think that the Government needs that buffer between it and the applicant or the bank.

Coming back to the question of whether the subject of grants ought to be in the Bill at all, I think I would come down on the side of a relatively low ceiling, but in my view it is very dangerous for the State Government to be involved in the general principle of grants, and the Government of the day might be very pleased if it was not in there at all at some stage in the future.

I may have appeared to be somewhat critical of the Government in its aims to help small business. Instead of going down the track of setting up bureaucratic institutions of this kind, the Government should be helping by decreasing its fees, taxes, charges, and workers' compensation payments, by further lifting the ceiling on pay-roll tax and by tackling the problem of business land tax. That is the way for the Government to join with private enterprise and help small business.

Generally speaking, it boils down to this: wherever possible the Government should stay out of the market place. Let the businessman enter it, help him by minimising his outgoings and, by establishing an economic climate in which he can prosper, let him have full rein. By letting him have full rein he starts employing people, making money, improving productivity, meeting competition and succeeding. The State then gains benefits in many ways. I make the point I touched on earlier concerning the question of costs. How long can the Government establish public authorities at the people's expense?

The Hon. Frank Blevins: What is your view on the Port Lincoln abattoir?

The Hon. C.M. HILL: I am of the view that the Minister is tackling that with courage. I was pleased to hear his response to a question today. I believe that the Government should help firms and institutions, such as the abattoir (where it is efficient but still cannot help itself or be viable). There are times when certain sections of the community need Government help. Individuals who cannot help themselves should get Government help. But there is a point of balance where those who can help themselves should be encouraged to do so; they become better citizens for it, the Government benefits by the resulting taxation, and there is then a better community than one which relies heavily on Government assistance. When one has a community in which people are continuously going to the Government with their hands out for help when there really is no need for it, the whole community degenerates. That is bad for South Australia.

If the Bill goes through in some form or another, as I suspect it will, I hope that the Government will restrict the costs, structure and staff of the Corporation, so that there is not too much wastage of public money. I have been somewhat pessimistic in my comments but stress that I greatly admire the small business sector of South Australia. At one stage I belonged to that sector and know the problems and tribulations of it. I know the number of hours these people work to succeed. I want the State to help this sector as much as possible but, at the same time, within the market place, help it by creating an economic climate in which it can help itself. The State should not encourage or entice the small business sector to develop the mentality of coming for State help because, in the long run, it does no good. Therefore, I intend to vote for the second reading but will take part in further discussions during the Committee stage.

The Hon. I. GILFILLAN: My colleague, the Hon. Mr Milne, and I have enormous respect and care for the small business sector and those who operate in it. Many of these people are feeling the squeeze of big business, unions and the callous indifference of the Government. The proposed Act could be a constructive limb of the Parliament for offering tangible and substantial help to an industry that thoroughly deserves it.

So, it is with enthusiasm that we see this Bill as a vehicle to substantially help small business in South Australia. We studied the Bill and consulted with those we felt were most deeply involved in it—the small business operators, the South Australian Employers Federation, the Australian Small Business Association and other individuals involved in small businesses outside those organisations. We found a major over-riding risk—that it could become a bureaucratic public servant-loaded QANGO with very little opportunity to fulfil the exciting charter in the Bill. Therefore, the Democrats have identified what we think are the significant features for ensuring that it will fulfil its promise. This largely depends on the people appointed to the Corporation. Previous speakers mentioned that the personnel of the Corporation will be public servants. That is not necessarily always a bad thing, but I remind members that the Bill specifically appoints only one member of the Public Service. Clause 5 (1) *(a)* states:

> One shall be the person for the time being holding or acting in the office of the permanent head of the Department of State Development or in any other office in that Department from time to time nominated by the permanent head;

The other six members will be appointed by the Governor on the nomination of the Minister. Those six people should be dynamic participating members in the small business community. Maybe some of them could be from another field with particular expertise. This is a real challenge to the Government, which indicates by this legislation it wants to offer something tangible and real as a boost to the small business sector.

I hope that the Minister and Government will take note that the people on the Corporation appointed by the Minister must either be from small business or have close working relationships with it. The Corporation must keep in close contact with small business and cannot remain detached. It should have ongoing and regular contact with the organisations representing small business, particularly the South Australian Employers Federation and the Australian Small Business Association. It must also continue to have consultation with the small business people for the appointment of people to the Corporation.

It is critical that those who are appointed to the Corporation are the right people, not just from the Government's point of view but also from the point of view of the sector that the Government wishes to help. If the Government makes a mistake in selecting people for the Corporation, it really will be an ineffective apology covering up for a Government which does not really honour its intentions. Some of the previous speakers have indicated that proposition but, being of a more optimistic bent, I think that, if we can believe the Government, there is a good opportunity that this could be an effective vehicle to help small business to expand its operations. It will not just be a question of the inefficient businesses coming forward to receive handouts. The Corporation could present an opportunity to supply new blood in the business sector to help it thrive and expand. We want to see that happen. It will depend on the goodwill and confidence that we have in the Government as to how much optimism we have.

As much as I want to have complete confidence in the Government's approach to the Small Business Corporation of South Australia, the history of the Galaxy Refinery leaves me very much disturbed. In my opinion, the Galaxy Refinery was a small business very much aligned with the criteria spelt out in the Bill. It was very closely aligned to the procedures that small businesses will have to comply with under the Bill. For whatever reason, the Government has shown no enthusiasm to support what I regard as a courageous small business venture in South Australia. I cannot read the Government's mind, but it will certainly need to reassure me that it has a more determined approach to supporting small business in general throughout South Australia than it showed in relation to the Galaxy Refinery, if we are to see good news coming out of the Corporation's operations.

Earlier this session I asked a question about the Galaxy Refinery, because I had been informed that the Premier had responded to the Galaxy Refinery's request for a guarantee for a loan—not a grant—with the indication that he and the Government's reactions were being influenced by the threat of sanctions by the oil industry. I think that is totally unacceptable. I am afraid that my attempt to obtain a definitive answer from the Premier on that question has been evaded. I have no reason to doubt the accuracy of those who told me about this situation. They were witnesses to the discussion, and I am left very much with the flavour in my mind that other small businesses will stand open to that threat. Therefore, members of the Corporation must be detached from those large businesses that want to stamp out small businesses. I think that the Galaxy embarrassment is given even more emphasis by this week's proceedings with Mobil, which announced in an article in the *Advertiser* that it intended to discuss with the Premier, I think on Tuesday afternoon, the question of price control and the future of the Port Stanvac Oil Refinery. Why was the future of the Port Stanvac Oil Refinery in doubt, anyway? Why was it at that particular time that the Premier had to receive an assurance from Mobil?

I may be of a suspicious frame of mind, but I feel that many people in small business would be well aware of what I am talking about, because there are all sorts of ways in which pressures and threats can be brought to bear on them through tracks that are not always apparent to the public eye. I am very frustrated that we have not been able to penetrate the veil of secrecy and reveal the pressures and forces that determine the Government's decisions and whether or not it supports small business. I hope that the Government will shuffle off that sort of pressure when it makes decisions. I hope that the Minister has the courage to appoint the right people to the Corporation and that they in turn will make the right decisions according to the clause of the Bill which stipulates that it will be in the public interest. If they can comply with that stipulation, my optimism is well founded and it will be well worth while setting

up the Corporation in South Australia. I support the second reading.

The Hon. K.T. GRIFFIN: Mr President, I draw your attention to the state of the Council.

A quorum having been formed:

The Hon. DIANA LAIDLAW: The measure, as my colleagues have indicated, was a Government commitment at the last election. That is the principal basis for my support for this Bill. However, in truth, I am less than convinced that it is necessary or that it will be effective. The Government professes to be introducing this Bill to establish the Corporation on the grounds that it will help small business. However, the Corporation will only be successful in fulfilling its role and functions as outlined in clause 10 and in realising the expectations of the owners of small businesses if the Government is prepared to allocate to the Corporation sufficient resources, in terms of experience, personnel and funding.

I stress that point strongly, because the lack of resources available to the Small Business Advisory Unit has, in my opinion, handicapped the capacity of the Unit to realise the expectations of small business owners in this State and to fulfil the very similar duties that have now been assigned to the Corporation in this Bill. If the Government is prepared to allocate the necessary resources to the Corporation, I question why it was not prepared to direct the same resources to the Small Business Advisory Unit and the other avenues available to provide learning and advice to small business operators in this State.

This point was raised by Mr Rod Nettle, the economist of the South Australian Chamber of Commerce, in January this year when he was asked to comment on the Corporation. He stated:

> The Government seems to have overlooked the fact that plenty of expert advice is available to small business in this State. There are more efficient ways of providing exactly the same thing to small business. The Government could have made better use of its dollars—

he means taxpayers' dollars—

> by funding existing bodies which help small business.

I remain unconvinced that the Corporation is necessary and will be effective, not only for those few reasons I have just outlined but also because the Government is not addressing what I perceive to be the major problem facing small business in this State, namely, the matter of wages and add-on costs. After all, small business in this State is not only about surviving: it is about prospering. If this measure merely envisages the establishment or retention of small businesses to the level of survival, we will not be inspiring the creation of one new job in this State.

The Hon. Mr Robert Lucas highlighted six problems which he believed were facing small business. They were management skills, finance, education and training, legislation, Government taxes and charges, and industrial relations. I do not intend to elaborate on any of those areas, but I do wish to add one further problem—the ever-increasing rise in wages (indeed, Australia is one of only a handful of countries where workers' real disposable incomes have risen in the past four years, according to an OECD study which was released in December 1983) and the ever-increasing percentage of on-costs which employers must add to standard wage rates.

In this State we have not seen any evidence from this Government that wages or, more specifically, add-on costs are a burden to the ability of small businesses in this State to prosper and, as a consequence, to employ more people on a permanent basis. It is in the area of small business that this State has the greatest opportunity to tackle the alarming problem of unemployment.

By contrast to the silence of the State Government, it has been refreshing to see the Federal Minister for Industry and Commerce, Senator Button, recognise the problem of add-on costs. He has highlighted this point in a number of speeches that he has given in the past year and has indicated in his most recent statement made on the subject to a metal industries trade association last month that the add-on costs to small business have a deadening effect on employment prospects. Equally, he indicated in that speech the need for Government, unions and employers to address the subject. The Minister's recognition is indeed most welcome, although I regret that to date he has not yet seen the need to initiate the necessary mechanism that would formally address this subject. I hope, however, that he will be pursuaded to do so very soon and, if and when he does so, that the South Australian Government will participate in any inquiry established by the Federal Government, as on-costs are an increasingly insidious burden on business enterprise in this State.

These extra costs include annual leave loading, long service leave, sick leave, compassionate leave, superannuation in an increasing proportion of cases, employee amenities, uniforms and a range of other cost items, all of which raise the total cost of providing jobs.

A study was produced recently by the Business Council of Australia which underlined the extent to which a number of other on-costs have continued to rise even over the period when award rates in Australia were being held fairly steady by the now ended wage pause. The Business Council study defines 19 items as add-on costs, including safety training, uniforms, company cars, employee health, employee amenities, allowances and non-productive paid time, together with the usual items that I have mentioned of sick leave, workers compensation, superannuation, and pay-roll tax. On the basis of these 19 items, the council survey notes that total hourly on-costs rose by 14.4 per cent over the calendar year 1983—at least 10 per cent above any rise in wages over the same period.

That rise of 10 per cent takes into account either the minimum award rates or total earnings. As a result, the extra costs which added 48 per cent to direct wage bills at the end of 1982 were adding 53 per cent at the end of last year. For some industries the total effect of add-on costs has increased even more. This is particularly so in the building and construction industry which, as members will be aware, is the greatest employer of unskilled labour in this State. Items such as wet weather pay add to the lists of costs which in turn add to the basic pay-rolls and to the total cost picture facing employers, large and small, when deciding whether to take on additional staff.

Yesterday the Arbitration Commission awarded the Australian workforce a 4.1 per cent increase in wages and salaries and, as a result, many of the on-costs to businesses large and small will rise by at least the same amount and, in many instances, may increase by more than 4.1 per cent for those employees who will be carried into a higher pay-roll tax bracket. Other on-costs are increasing rapidly, and I cite, for instance, the steep increase in workers compensation in this State and Australia wide in recent years. These increases have been due to more than just the general rise in costs.

The experience in South Australia shows that in 1982-83 workers compensation premiums cost South Australian businesses $120 million, an equivalent of more than 7 500 jobs. The number of claims has also increased significantly. A survey of 10 major companies in South Australia has revealed that the number of claims between 1979 and 1983 increased from 5 886 to 20 157—a 244 per cent increase

over five years. Put another way, these companies had 10 claims for every 1 000 workers in 1979 and 33 claims per 1 000 workers in 1983.

The Government has established the Small Business Corporation in the belief that it will help small business in this State, but it will not be the panacea for the problems that are besetting small business. Possibly, it will help some businesses to survive. However, it will not help business to prosper until the Government is prepared to address the question of wages and add-on costs. In the short term at least, the Government appears most loath to tackle the subjects of wages and add-on costs. Indeed, the full wage indexation which this Government supports ensures that a substantial part of business cash flow will be regularly diverted into maintaining the incomes of the employed sector of the workforce at the expense of business surplus and increased employment opportunities. When one adds to that the impact of increasing on-costs and the pursuit of ways of by-passing the wages guidelines, the incentive for business investors is necessarily reduced at a time when it needs to be encouraged.

In conclusion, I believe that the Small Business Corporation can be accused of being a mere window dressing exercise by the Government, and while the Government remains silent about wages and add-on costs it will, in truth, be doing little to help small business in South Australia to survive, prosper and develop its capacity to create more permanent jobs.

The Hon. R.C. DeGARIS: Although I did not intend to speak on this Bill, there are a couple of points that I want to make about it. We are seeing in this Bill something that I have mentioned before—the perniciousness of mandate. At election time political Parties seek to put before the public views that may command a certain number of votes. Often one sees in the ensuing period a Government honouring promises made during an election campaign when, very often, what it should do is forget about them.

The Hon. Frank Blevins: It is a joke.

The Hon. R.C. DeGARIS: It is not a joke. As I have said before, this Bill is a classic example of what I term the perniciousness of mandate. I agree with what was said by the Hon. Mr Hill (a matter on which I interjected when the Hon. Mr Lucas was speaking), namely, that if we want to handle this sort of thing the right way to do it is by using the existing structure of the State Bank. Let us use that which has the ability and staff to investigate and report.

If the Government, through the use of the IDC or through the Treasurer, wishes to offer guarantees for moneys that need to be borrowed (something that the Bank cannot do under existing lending policy), let that be done, but let us not establish another Corporation that will not have available the expertise that the State Bank has to handle such matters.

I return to my first point, namely, that this Bill illustrates the point which I have made before that many of the things we do in politics are caused by this perniciousness of following mandate where a Party wants to make some gains in votes with a policy at election time and then must fulfil that promise absolutely, as a result of which legislation is introduced.

I am totally opposed to grants being made available through this Corporation to any of those applicants who may require them. If we want to make grants to people, as the Hon. Lance Milne said, such as inventors, let us do it, but do not let us have it in a Bill like this which deals with all small business operations. I can see grave difficulties in the use of this Corporation's making available grants to small business operations. I do not mind the Government's undertaking to guarantee loans, but I cannot support grants being made.

I could speak about many matters in relation to this Bill, but I will raise them in the Committee stage. I have raised these two points at this stage, as I feel that there are better ways of doing what the Government wants to do because it is trying to fulfil an election promise that was not thought through. Lastly, I oppose a statutory corporation such as this being able to make grants to people who make applications to it.

The Hon. K.L. MILNE: Like the Hon. Mr DeGaris, I was not going to speak on this matter, either. However, I think we must face the fact that this Corporation will not really help small business very much. I am in favour of the Bill because the Government has at least recognised that a special section of the business community is different from big business and Government business. To that extent, it is a good idea to have some organisation isolated to assist small business particularly.

The Hon. R.C. DeGaris: We have already got that.

The Hon. K.L. MILNE: None of the other bodies was established particularly in relation to small business: the Chamber of Commerce and Industry was not; the Employers Federation was, to some extent; and the Australian Small Business Association, which is Australia wide and vigorous, is helping small business, but not with finance. There are other places from which finance for small business can come. However, I share the fears expressed by a number of speakers about this matter. They highlighted the fact that the people appointed to this organisation must be of a special kind—they must not be oriented towards big business but must understand economics and business generally. So, it will be a very difficult and important task for the Government to appoint the right people to make this Corporation work properly and have an effect.

The Hon. R.I. Lucas: When you retire will you accept an appointment?

The Hon. K.L. MILNE: Yes, I am just the man—it has come a bit early. The other point made by the Hon. Murray Hill and the Hon. Diana Laidlaw is that small business is a special case, and the borrowing of money for, and financing of, it is only one part of its problem. The Government must be willing to face the general wage problem of on-costs on salaries, which in some cases is as high as 50 per cent including workers compensation insurance. It must also recognise that the relationship between the staff and the boss in a small business is quite different from that between unions, directors and shareholders of a very big enterprise. I think that we should be considering legislation that will allow people in special circumstances (albeit, with the approval of the Industrial Conciliation and Arbitration Commission in this State) to negotiate special arrangements for staff and wage conditions because, unless this is done, businesses will disappear. This can be very important in country towns, or in times of depression. We must recognise that this is not solving the problems that small business suffers and is a small help on the financial side only; we must not relax our efforts to make more arrangements for the benefit of that group of businesses that employs 70 per cent of the work force.

The Hon. FRANK BLEVINS (Minister of Agriculture): I thank honourable members who have contributed to this debate. As they have stated, this is an important topic and one that everybody agrees requires the careful attention of this Council. There are, of course, differences of opinion and emphasis as to how small business can best be assisted to eventually stand on its own feet and make a very real contribution to the State. Those differences of emphasis, not intent, have been stated clearly during the second reading debate, and I am sure that they will be explored further

during the Committee stage of the Bill. The queries raised by honourable members will be explained or amplified in Committee.

Bill read a second time.

In Committee.

Clauses 1 to 5 passed.

Progress reported; Committee to sit again.

FISHERIES ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from 28 March. Page 2920.)

The Hon. M.B. CAMERON (Leader of the Opposition): The Opposition supports this Bill. However, there is one area of concern and an amendment has been placed on file in the name of the Hon. Peter Dunn which will give the Minister some degree of flexibility in order that, where an estate is concerned in a licence, he will be able to award extra time. The Bill is very simple; it means that in management processes the Minister is able to take very rapid action for closures for prawns and abalone. Some concern had been expressed about abalone being included; however, the abalone fishermen now have indicated that they desire to operate pulse fishing, which is a new system whereby certain areas can be closed and opened for periods, and some of these decisions have to be taken fairly rapidly. So, I accept that it is necessary to have this product involved in this Bill.

The Hon. FRANK BLEVINS (Minister of Fisheries): I thank the honourable member for his support.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Transfer of licences.'

The Hon. PETER DUNN: I move:

Page 2, line 10—Leave out 'twelve months' and insert 'two years'.

The Hon. FRANK BLEVINS: I am happy to accept that amendment.

Amendment carried.

The Hon. PETER DUNN: I move:

Line 12—Leave out 'Director' and insert 'Minister'.

The Hon. FRANK BLEVINS: I am happy to accept that amendment.

Amendment carried; clause as amended passed.

Clause 5 and title passed.

Bill read a third time and passed.

WATERWORKS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 3 April. Page 3097.)

The Hon. DIANA LAIDLAW: I wish that my colleagues would take this matter as seriously as I will in the next few minutes. Essentially, the Opposition supports the Bill, which includes a number of worthwhile amendments in respect of the proper fittings, connections and installations standards that are considered necessary for the safe working of our water supply system in this State. In this regard, the measure can be regarded as an important public health measure.

The Bill stems from the fact that the Engineering and Water Supply Department, with the other major water supply and sewerage authorities in Australia, is party to an agreement on the evaluation, type testing, testing and stamping of pipes, fittings and fixtures used in the sanitary plumbing and drainage and/or the hot and cold water connections that are connected to the public water supply and sewerage systems in this State. The agreement was considered necessary to ensure that substandard materials, fittings, fixtures and apparatus, which could result in the contamination of our water supply, water wastage and public health problems, are not used in conjunction with public water supply and sewerage systems. For the agreement to be enforced in South Australia I understand that directions are required to be set by the Minister.

However, a problem has arisen in this regard, for at present there is no provision specifically in the Waterworks Act for the issuing of these directions. This Bill seeks to rectify this situation by providing the power in the Act for the Minister to make and issue these directions. The Opposition supports this move as a necessary one to ensure the maintenance of high standards. However, the Opposition is concerned about the consequences arising from clause 4 of the Bill, which seeks to amend section 10 of the Act.

That section relates to the fee to be charged for the supply of all water services. At present, the fee charged is a standard one and the amendment proposes that the Governor may make regulations to fix the fee to be charged for the supply of varying services, that is, the supply of either 200 mm, 50 mm or larger pipes. Alternatively, the Minister is empowered to fix the charges and fees for this service. Effectively, the amendment increases the power of the Minister to determine charges.

The Opposition's reservations about this amendment stem from the fact that the Government through the Department totally monopolises the supply of this service. Therefore, regulations can be made to fix or the Minister can fix the charges and fees for this service without any regard to the real cost of supplying this service. As the Minister said in his second reading explanation, the criterion for fixing the fee will be the proper recovery of the costs of installing the service. As the service is provided by a Government monopoly the proper recovery of costs will be determined by the price at which the Department will provide that service, with no regard, check or accountability for efficiency.

The Opposition believes that this is not in the best interests of the individual consumer or the South Australian taxpaying public. The Opposition believes that, if a consumer can obtain a quote from a subcontractor for waterworks that are to the standard or specifications set by the Minister's direction and if that quote is less than the standard fee set by the Department, then consumers should be permitted to accept the subcontractor's quote. However, it is Government policy to deny a consumer the right to accept the lower quotation from a private subcontractor.

I acknowledge that the Act does not specifically deny the consumer the right to obtain a quotation from another source for the supply of a service if the consumer believes that the fee set by the Government is exorbitant. However, Government policy denies the consumer the right to accept that quote. In this regard, I believe that the Government's action is contemptible and, on behalf of the Opposition, I wish to record our strong objection to this policy which, in fact, entrenches the Department's monopoly over the supply of waterworks services in this State.

The policy is contemptible because, at a time when the Government professes to be concerned about the State's financial position, it is unwilling to ensure any accountability in the Department. It is contemptible also because, while it professes to wish to help small business in this State (for instance, with the introduction of the Small Business Corporation that we have just been discussing), the Government is in fact denying work to private subcontractors in this State. It is contemptible also because the Government is

forcing consumers to pay more for a service than may actually be warranted. Under this Bill the Government is demonstrating that it is willing to place all its emphasis on public health and not on the public purse, and the Opposition would wish to see that both public health and the public purse gained equal attention from the Government.

Also, I wish to comment briefly on the amendments to increase penalties because, when the penalties were last increased in 1978 in various provisions of the Act, the minimum increase was fivefold and the maximum was twentyfold. Under these amendments the average increase is a further tenfold and, certainly, inflation has not increased tenfold since 1978. I question the basis upon which these penalties have been determined. In replying to the second reading debate the Minister in another place acknowledged that the steep increases in penalties on this occasion were to cover the increased costs to the Department in following up inspections since the penalties were last altered in 1978.

The Minister cited in particular the increase in the incidence of people altering their meter rates, thereby illegally using water and the extra work load that this problem was creating for departmental inspectors. Without questioning why people may be provoked to alter their water meters, the Minister's response to the problem has been to employ more inspectors. I suggest that an alternative approach that he might have considered would have been to look at how to reduce the administrative overheads of the Department rather than adding to those overheads by employing more inspectors.

However, it is clearly the policy of the Government in respect of the Department not to pursue accountability and efficiency and that is most regrettable. In regard to inspectors, I ask the Minister representing the Minister of Water Resources whether he will advise the Council of the number of inspectors employed by the Department at present, the cost of employing those inspectors and the number of new inspectors that the Government intends to employ to cope with what the Minister has described as an escalating work load. I appreciate that the Minister might not have those answers at hand and I would be more than willing to accept them later. In summary, the Opposition supports this Bill, but it does so with some reservations.

The Hon. FRANK BLEVINS (Minister of Agriculture): I thank the honourable member for her contribution. It was a very well thought out and structured contribution, but I did not agree with a large part of it. I thought that the attacks on the E&WS Department were somewhat overstated, particularly as the Department did not spring into being at the last election, before which there was a Liberal Minister in charge of it for three years. If these problems are as real as the Hon. Miss Laidlaw believes, they should have been apparent to the previous Liberal Minister. However, the points were put strongly and the Hon. Miss Laidlaw's views are obviously held sincerely. In regard to the number of inspectors, as the honourable member stated, I do not have that information to hand but I can assure the Hon. Miss Laidlaw that I will draw the attention of the Minister of Water Resources to her questions and I am sure that a prompt and detailed response will be forthcoming.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Regulations.'

The Hon. DIANA LAIDLAW: This clause deals with the regulations. The Governor is empowered to make regulations, and the Minister may fix charges. Concern was expressed in another place when this Bill was being debated that it provides the Minister with extraordinary powers and capacity to set charges at whim.

I will not pursue that approach but will ask a number of questions arising from my second reading speech. As I indicated, this clause gives the Minister the power to fix charges for the supply of all waterwork services, irrespective of whether or not a consumer can get the same job done by a private contractor to the same specifications and standards that the Minister of Water Resources requires. Even with the same specifications, the price may be considerable less than the fee set by the Minister for the service to be supplied by the Engineering and Water Supply Department.

It is Government policy that the consumer has no alternative but to accept the charge set by the Minister. Does the Minister agree that determining the fee based on the cost at which the E & WS Department can provide the service, when that department is a monopoly and is not required to be either efficient or accountable, is a practice that is in the best interests of the consumer? Does he also agree that if a service can be provided by private contractors at a much cheaper rate and to the standard required by the E & WS, the consumer should be entitled to engage a private contractor at the lower fee, and that, in such cases the consumer should not be required to engage the E & WS Department to supply a service at the higher fee set by the Minister?

The Hon. FRANK BLEVINS: I support a strong and efficient E & WS. Department. We are dealing here with a very basic service that has enormous importance to the health and well-being of everyone in South Australia. I believe that we have an efficient E & WS Department—I have no reason to believe otherwise. The necessity for this provision has been clearly demonstrated over the years by the quality of work that has been done by people engaged by the Department. It is not an area in which I feel that private enterprise has a role. This area is similar to other utilities such as ETSA: it provides a service which is so important that the Government should have strong control over it.

The Hon. Diana Laidlaw interjecting:

The Hon. FRANK BLEVINS: I appreciate the point made by the Hon. Miss Laidlaw, but I point out that between 1979 and 1982, 1968 and 1970, and from 1965 back to before I was born the E & WS Department was under the control of the Liberal Party, to which the honourable member belongs. All those Governments, without exception, had a similar provision similar to his in the Act. That demonstrates the responsibility of those Governments and that they also found it necessary, in the case of this public utility, which is of such basic importance to the State, to have that degree of control.

The Hon. DIANA LAIDLAW: I also believe that it is important that the E & WS Department be strong and efficient. How can one determine that if there is no competition? It is important to advise the Minister that the Opposition will be monitoring the situation closely, because it believes that, if private contractors can do the work for a much lower price, and to the same standards and specifications insisted on by the E & WS, those private contractors should have the opportunity to do that work. In addition to closely monitoring the situation, I believe that the Opposition would be more than prepared to consider, if there is a large discrepancy between the prices of sub-contractors and those which are set by the Minister and which work the Minister insists be done by the E & WS, taking legislative action to require the Minister to allow a consumer to engage a private contractor if that contractor can do the work to the same specifications and at a much lower price.

Clause passed.

Remaining clauses (5 to 33) and title passed.

Bill read a third time and passed.

[*Sitting suspended from 5.54 to 7.45 p.m.*]

SEWERAGE ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 3 April. Page 3099.)

The Hon. DIANA LAIDLAW: The provisions in this legislation are very similar to those in the Waterworks Act Amendment Bill that was debated in the Council before the dinner adjournment. The same comments that I made in relation to the monopoly control by the Engineering and Water Supply Department in that area also apply in relation to this Bill. Other than that reservation, the Opposition supports the measure.

The Hon. FRANK BLEVINS (Minister of Agriculture): I thank the honourable member for her expression of support on behalf of the Opposition.

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

LOCAL GOVERNMENT ACT AMENDMENT BILL (1984)

Adjourned debate on second reading.
(Continued from 3 April. Page 3100.)

The Hon. C.M. HILL: I most certainly support the principle in this Bill, that is, that local government throughout South Australia should have a common and complete superannuation scheme. By 'complete', I mean that it should be available to all staff and all employees of local government and, indeed, to all staff of other instrumentalities closely associated with local government. I can recall the time when I was Minister a year or two ago, when a deputation comprising representatives of the Local Government Association and the Adelaide City Council came to me. Those representatives indicated that, whilst negotiations had been proceeding for some years in an endeavour to establish a common superannuation scheme, they were of the view that a special effort should be made to bring the issue to a head, despite all the problems that had been encountered over the years. I can recall that the Lord Mayor of the day, Mr James Bowen, who was a member of that deputation, supported with considerable strength the principle of this common scheme.

The representatives of the Local Government Association, although they had not at that point gained the full approval of their membership, were keen to make a final endeavour to bring the whole issue to a head. I supported the principle as it was put to me and can recall sending them away with my blessing. I told them that it was a matter which local government ought to be able to handle and that there ought not to be any Government interference of any significance. I suggested—and they agreed—that they ought to retain actuarial advice in their deliberations and that, in close contact with the industry out in the market place, they ought ultimately to be able to come up with a successful scheme. That, in effect, is what local government has done.

I take this opportunity to commend those who have taken part in working parties on the proposal and thank them for their endeavours to achieve ultimate success. One reason for there being a need for an overall scheme was that some councils had their own schemes whilst other councils did not have any superannuation at all. The schemes in existence were very diverse, and there were some unfortunate aspects of discrimination of some years standing within the scheme. One of those discriminatory aspects was that in some schemes females were treated differently from males.

Another serious difficulty in the piecemeal approach evolving over the years was the lack of portability in the individual schemes that had been established under the local government umbrella. Of course, that lack of portability was a factor with the staff of some councils who may have wanted to accept other positions in other councils, thereby climbing the ladder. They hesitated to seek those promotions because they could not enjoy the benefits of the superannuation schemes in which they had previously been involved.

The task force has worked out the scheme. The first step in the introduction of the proposal is included in this Bill, which proposes to establish a statutory board. That will be in common with Victoria, Queensland and Western Australia, which also have overall schemes under the control of such boards. The boards in effect become the trustees. The board here would become the trustee and as an entity would take over from existing trustees in already established schemes. It is proposed that future membership will not be compulsory. I think that this is an important point.

The Bill before us is, in effect, enabling legislation, because it clears the way for the scheme to be considered by the Parliament. By that means, as is envisaged in the legislation before us, Parliament will not be perusing the scheme but will simply be allowing the Government to proceed one step further. By that I mean that the Minister can approve the scheme and under the terms of this legislation it will come to the Parliament, where it must lie on the table of both Houses for 14 days, running the gauntlet of possible disallowance. If that procedure is adopted by the Parliament, at that stage a close perusal can be made of the scheme.

Members of the working party and representatives of the Local Government Department have been in touch with Opposition members, and quite properly, because I think everyone is quite positive about wanting to assist local government in the overall proposal. Discussions have taken place as to the best means of assisting local government with the necessary legislation. One of the difficulties confronting local government is that the President of the Local Government Association and his task force were hoping to have the scheme up and running on 1 July. That would have meant that this legislation would have to be passed by the Parliament and the scheme would have had to be presented to the Parliament by the Minister and his colleague in this Council and placed on the table for 14 days. Because of the Government's programme that is not now possible because we are not sitting for a period of 14 days between this day and 10 May. Therefore, if the matter proceeds as the task force would like it to, there may be some difficulty in starting the scheme on 1 July. It could start, but there would be a chance that the scheme would be disallowed, which would present problems.

An alternative to that the Opposition has been considering in an attempt to help local government is to present the scheme now, as a schedule to this Bill. I think that that could be inserted at this stage in this Council. However, problems have arisen in regard to that idea. The scheme will not be finally approved by the task force until next week. It is lengthy and may have to be reshaped somewhat by the Parliamentary Counsel if it is to become part of the Bill. Also, problems arise in regard to future amending schemes because it would not, in my view, be good legislation to have future schemes introduced by the principle of regulation which this Bill involves. Such regulations do, in effect, amend part of an existing Act if the parent or first scheme were included in this Bill and became part of the Act.

There is a need for further discussion on this point. Such discussions will take place early next week. I am hopeful that the best solution to help local government will be found on either Tuesday or Wednesday. I think, in view of that, that this legislation should not proceed until that time. I stress that I will do all that I can, as will all members on this side of the Council to help local government in this matter. With the Minister's approval, members on this side have had discussions with the Director of Local Government, who has made the point (with which I agree) that the Government prefers to keep the scheme at arms length; I think that is very proper. The Government should not get involved too much with local government's superannuation scheme. Therefore, the opinion of the Minister must be further sought early next week on the best possible way to overcome this slight problem that has arisen.

The Government introduced this legislation and then wrote identical provisions into its major local government revision Bill, which is before the other House at present. The reason for the duplication was that, in the event of the major revision Bill's not passing the Parliament before 10 May, at least this Bill could pass and the superannuation scheme to assist local government could be launched and would not be held up by any delay that might occur with the major revision Bill now in the other place. There are aspects of this matter that need further consideration. The task force representatives, the Minister and his Department, and the Opposition (which is reviewing the Bill closely) are co-operating in an endeavour to find the best way to handle this matter. There appear to be two alternatives, as I see it: the first is to try to include the scheme as a schedule of the Bill before us so that the whole matter could be passed and proclaimed and local government could have its scheme up and running before 1 July; alternatively, the Government's original plan to seek approval by the Parliament of this legislation could proceed, the Bill could pass, and, in accordance with the provisions of the Bill, the scheme could be laid on the table.

In that case there might be some worry and concern through July and August simply because of the time factor and the fact that 14 sitting days with the scheme on the table of this Council could not take place prior to 1 July, based on the Government's announced Parliamentary sitting programme. One way or another, a solution can be found to this difficulty. As we are conferring further on Tuesday next with the parties to whom I referred, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

PHYLLOXERA ACT AMENDMENT BILL

In Committee.

(Continued from 4 April. Page 3189.)

Clause 2—'Continuance of board.'

The Hon. R.I. LUCAS: My recollection of yesterday's proceedings is that the Hon. Mr Griffin put to the Minister handling the Bill some very pertinent questions relating to the position of the Phylloxera Board with respect to the South Australian Government Financing Authority. I am aware that the Minister in charge of the Bill has been very active, and I wonder whether he might respond to those questions that the Hon. Mr Griffin put last evening.

The Hon. FRANK BLEVINS: It is possible that the Phylloxera Board could come within the ambit of the South Australian Government Financing Authority. However, that is not the intention of the Bill. It is, I stress, a very simple Bill, which seeks to give some protection to individual members of the Phylloxera Board and enable it to become incorporated so that it can conduct its financial dealings more efficiently. It is nothing more and nothing less than that. It is, I stress, at the request of the industry and the industry alone that this measure has been introduced, and it was on behalf of the Government, through strong representation being made by the industry, that I introduce this measure to the Parliament.

The Hon. M.B. Cameron: Is any Government money involved?

The Hon. FRANK BLEVINS: It is entirely money that has been raised by the industry by way of a levy. It is the industry's money. It seeks to have its Board incorporated so that it can manage its financial affairs as it wishes. On behalf of the Government, I am delighted to allow it to do so and to bring this small Bill before the Parliament.

The Hon. M.B. Cameron: You will not put your grubby little hands on it?

The Hon. FRANK BLEVINS: I have no intentions at all of expropriating, nationalising, socialising or anything else the funds of the Phylloxera Board. It is a very worthy organisation and I am delighted to assist it in any way that I can. The trials and tribulations of this Bill's going through the Parliament are living witness to the efforts that I am prepared to make on behalf of the industry, and I hope that that answers the questions that the Hon. Mr Lucas asked in the second reading debate, as well as the questions and fears that were raised by the Hon. Mr Griffin and anybody else who spoke in the second reading debate. I hope that all their worst fears, nightmares and 4 a.m. horrors are finally laid to rest.

The Hon. R.I. LUCAS: I hate to disagree with the Minister in charge of this Bill, but the Minister clearly is being a little less than frank with the Committee.

The Hon. R.J. Ritson: His name is Frank.

The Hon. R.I. LUCAS: His name is Frank, but he is being a little less than frank. Section 4 (the definition section) of the South Australian Government Financing Authority Act, provides:

> 'Semi-government authority' means a body corporate.
>
> *(a)* That—
>
> (i) . . . .
>
> (ii) . . . .
>
> (iii) or is financed wholly or in part out of public funds; and
>
> *(b)* that is declared by proclamation to be a semi-government authority for the purposes of this Act.

There is no doubt, as the Minister well knows, that the Phylloxera Board now, if this Bill passes, will become a body corporate and will come within the ambit of a semi-government authority. The Minister gives his personal commitment that he will not nationalise or socialise the Phylloxera Board's funds, but that really begs the question because this legislation, as the Minister well knows, does not nationalise or socialise anybody's funds. Once again, the Minister is a little less than frank with us.

The Hon. R.C. DeGaris: He can tell the Board what to do with them.

The Hon. R.I. LUCAS: He certainly can; we will get on to that. He is being a little less than frank when he suggests that that is not what he is about. The whole point is that the Phylloxera Board can be proclaimed as a semi-government authority, and therefore can come within the ambit in the future of the South Australian Government Financing Authority Act. It may not be the present Minister, who probably will not have an excessively long period of office; it may well be a future Minister who may decide, with the Government of the day, that by proclamation—not by regulation at all—the Phylloxera Board will be deemed for the purposes of the South Australian Government Financing Authority Act a semi-government authority. I am not ascribing any ill motive to the present Minister. The operative

section of the State Government Financing Authority Act is section 16, which provides:

Notwithstanding the provisions of any other Act, a semi-government authority—

that is in this case possibly the Phylloxera Board—

may borrow moneys from the Authority and, if the Treasurer so directs, shall borrow moneys from the Authority rather than from any other lender;

Therefore, it is possible that the Phylloxera Board, if it is borrowing money or if it wants to borrow money for its own activities at whatever interest rate it has been able to negotiate, can be directed—'shall' is the operative word—by the Treasurer to borrow from the Authority. Secondly, section 16 (1) *(b)* provides:

may, and if the Treasurer so directs, shall, deposit with or lend to the Authority any moneys of the semi-government authority that are not immediately required for the purposes of the semi-government authority.

That is quite definitive. If the Treasurer directs, the Phylloxera Board possibly shall deposit or lend to the Authority the money that it holds, the money that it is not using for immediate purposes.

The Hon. R.C. DeGaris: The Minister of Agriculture might not have a say in it at all.

The Hon. R.I. LUCAS: True, the Minister of Agriculture I am sure holds no sway over the Treasurer of the day, and it is the Treasurer who makes the decisions. The Hon. Mr Dunn indicated that about $300 000 of growers' money is tied up with the Board and, under section 16 (1) *(b)*, if the Treasurer of the day directs, the Board shall deposit that $300 000, or such portion of it as is not immediately required, with the South Australian Government Financing Authority. There is no doubting that and, as I indicated earlier, the Minister is being less than frank with us with his rather flippant response to the very pertinent question of the Hon. Mr Griffin.

Further, under section 18 the Treasurer can rearrange the finances of the semi-government authority. In this case he can possibly rearrange the finances of the Board. Although it has not been mentioned directly in this debate, there is some indication that the Board is happy with this situation. If that is the case, so be it. The Hon. Mr Griffin indicated yesterday and I indicated yesterday and today that, whilst I have reservations and some concern about the general practice of the proliferation of statutory corporations, I was not going to vote against the procedure and that is still my situation.

I believe that it should be put on the public record that it is not quite the simple occurrence that the Minister has led us to believe, that it can be, if a Minister or Treasurer of a future Government wishes it, quite a significant piece of legislation with respect to the money that has been accumulated by growers in the Phylloxera Fund. I will leave my brief contribution at that and register once again my severe reservations about this whole procedure. I am sure that the Hon. Mr Griffin, if he had the chance to contribute this evening, would also have put on the public record again his severe reservations.

The Hon. FRANK BLEVINS: The facts as stated by the Hon. Mr Lucas are quite correct. All honourable members are aware of them. Whilst we appreciate his stating them in the way that he has, I am sure that it will come as a surprise to him to know that a few of us have been in the Council a little longer than he has and do know one or two things about legislation. Perhaps it is not necessary on every occasion to patronise us in the way that he does. As I say, that is his particular style. The facts are as the Hon. Mr Lucas has stated. I have no intention, and as far as I know, the Treasurer has no intention, of compelling the Board to do anything that the Board does not want to do. I am not sure what I am expected to do other than to repeat that. I am somewhat at a loss for words to lay to rest the fears of the Hon. Mr Lucas. However, the remedy is in his hands. If he believes that this measure is in some way against the interests of the members of the Phylloxera Board, the people they represent, and the funds over which they have control, he can call against the measure and register his opposition in that way.

The Hon. PETER DUNN: I have spoken to the Phylloxera Board this evening and I am advised that the Board is happy that the Bill pass unamended through Parliament.

Clause passed.

Title passed.

Bill read a third time and passed.

CITY OF ADELAIDE DEVELOPMENT CONTROL ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 3 April. Page 3103.)

The Hon. R.J. RITSON: This Bill is not opposed by members on this side of the Council. In essence, it provides that the Adelaide City Council cannot consent to development proposals affecting items listed under the Heritage Act without first forwarding the application to the City of Adelaide Planning Commission. It also requires that the advice of the Minister having charge of the Heritage Act is to be taken into account, and there are appeal provisions. I do not think that anyone would object to this Bill.

True, it certainly will have a constraining and delaying effect on any plans for developing such heritage items, but then it is quite clear that that is what all responsible parties, including the Adelaide City Council, desire. The only point worth remarking upon is that it appears that the Government of the day somehow in its consultation proceedings proved itself fallible because it was necessary after the Bill was introduced in another place for the Adelaide City Council to correspond with the Government on certain points, and that required the Government to amend its own Bill in that place. That having been done, the Bill has now arrived here in an agreed form and, for that reason, I commend its rapid passage to honourable members.

The Hon. J.R. CORNWALL (Minister of Health): I thank the Hon. Dr Ritson for his contribution. He is quite right: this Bill is not revolutionary by any generally accepted term or means by which that might be interpreted. It does protect the heritage interests and it is not a matter of controversy. I am pleased to know that the Opposition supports it and, like the Hon. Dr Ritson and the Opposition, I am keen to see it have a speedy passage through this Upper House, as now seems assured.

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

REGIONAL CULTURAL CENTRES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 4 April. Page 3194.)

The Hon. C.M. HILL: This Bill is a further step in the establishment and administration of the regional cultural centres throughout South Australia. The parent Act passed in 1976 cleared the way for the Government to establish these centres. Since that time four centres have been established with their cultural trusts. The Mount Gambier and

Port Pirie centres are open and operating. In the Riverland at Renmark the principal theatre, which will be the major item in the complex, is under construction and will be opened on about 19 May. The present Government has approved the construction of a theatre at Whyalla on Eyre Peninsula, and that is being built at the moment.

The legislation before us is simply part of the evolution in the general administration of these trusts. I notice that there is some tidying up in the Bill, such as the lengthy names being shortened—the Riverland Regional Cultural Centre Trust will now be the Riverland Cultural Trust. Similarly, we will have the South-East Cultural Trust, the Northern Cultural Trust and the Eyre Peninsula Cultural Trust.

The long-term objectives of each of the trusts are laid out in the Bill which is, again, part of the evolution of their establishment. The general guidelines for the formulation of the regional arts policies by the trusts are part of the legislation. I do not disagreee with any of the provisions dealing with those aspects.

I take this opportunity to commend for their contributions those people in the country areas who are members of the trusts and have been associated with the establishment of the trusts. A great deal of work has been done in these centres by local people interested in the arts. Departmental officers within the Department of Arts who have been associated with the establishment of the centres deserve commendation as they have had some difficulty contending with long lines of communication. There has been a need for some supervision by those officers as experts in their field, and they have done a splendid job.

In more recent times the Arts Council of South Australia has played a more prominent role in the programming of the various trusts' activities in the centres and its administration and general practice has passed through quite an evolutionary stage during the past 12 months or so. I believe that it is now helping towards the success of the centres by arranging for artists and companies to play in the centres. The great benefit of having the centres in rural areas is that the people there, who live at a disadvantage to people living in the metropolitan area, will now have access to the arts comparable to those people living in metropolitan Adelaide. The theatres in the centres will be comparable with the Playhouse Theatre at the Adelaide Festival Centre. Therefore, the best performers who come to Adelaide can tour the country areas and play in those centres.

I was closely involved with this programme from 1979 to 1982 and it was a great pleasure to be present at the opening of the centre at Mount Gambier, to recommend the beginning of the centre at Port Pirie and be present when it ultimately opened, and to be part of the decision which began the theatre in the Riverland. I commend the present Government for finishing off the programme by finally approving the commencement of the theatre on Eyre Peninsula. It has not been easy for country people to fully appreciate the introduction of these cultural centres in rural South Australia because they have to travel quite long distances to attend such facilities. Some people have indicated that these centres should be closer to their place of residence. The geographical problem in South Australia is that the distances and costs of establishing the centres are so great that it is difficult to arrange centres to suit everyone.

In fact, the overall financial programme became quite alarming during the years I was in office and I ruled that there were to be only four regional cultural centres. That was a prudent decision and the only one that could have been arrived at in the circumstances.

The boundaries are defined now and there is need for further planning ultimately by way of what may be called 'subcultural centres' in smaller towns within each of these four trust areas. By that I mean that some existing buildings in some country towns, such as the old institute buildings or town halls, ought to be upgraded for the performing arts. Some supervision of the programme for such buildings can be arranged by the particular local major cultural trust.

This leads me to an amendment that I have placed on file, dealing with the provision in the Bill which gives the Government of the day the right to establish new trusts by proclamation. The financial considerations in this area are so serious that, if the Government of the day believes a need exists for a further cultural centre, the Government ought to be prepared to allow that decision to come down and be approved by Parliament before it proceeds. The machinery to accomplish that is to have any new cultural centre established by regulation and not by proclamation. When we are talking of the cost of these cultural centres in rural South Australia, we are talking in very round figures of $2 million to $2.5 million in establishment costs. We are talking literally in millions of dollars for administration costs annually thereafter.

Whilst I do not object to the present expenditures that have been approved I believe that, if there is any move in the future by any Government to expand the cultural centre programme on the same scale as that which we now see in South Australia, that can have serious consequences on our capital works programme. Of course it restricts the ability of the Department of the Arts to develop other initiatives, whether they be in the country or metropolitan Adelaide, if money is tied up in further cultural centres because, once a new programme is launched, it is not only capital works for which funds must be found but also the continuing administrative costs, loan repayments and the servicing of loans.

Parliament ought to have the right to examine the matter further should any new cultural centres be considered. I do not believe for one moment that the present Government would do that. The South-East cultural centre has been established with its base at Mount Gambier. The Riverland cultural centre has been established with its base at Renmark. The northern areas have a centre at Port Pirie and the Eyre Peninsula region a centre at Whyalla. If one maps out these centres one sees that the whole State is covered under this scheme. The area within 200 km of Adelaide is really served by the Adelaide Festival Centre because people can come in from country regions relatively close to Adelaide and gain the benefits of our Festival Centre in the heart of the city. I do not believe there would be any move to further expand the programme, but if it was ever contemplated, because of costs involved, Parliament ought to have the right to approve or not approve such a plan.

I draw members' attention to the composition of the trusts as contained in the Bill. There are to be eight persons on each trust in future with six of those people coming from the local area. I support that balance and, of those six people, at least two will come from local government. That brings local government into the general scheme of providing arts facilities to local citizens which is a very good idea. Evidence exists of local government taking a greater interest in providing cultural activity for local residents and I commend it for that. Particularly on the West Coast local government is very supportive of plans to involve the people of that region in cultural activity based and supervised by the Trust in Whyalla. It is commendable that local government is taking a positive attitude to this question which, only a few years ago, was one in which local government did not show a great deal of interest.

I support the Bill and am pleased to see the fine tuning that the Government has introduced now that the rural programme for cultural trusts is off the ground. The machinery measures in the legislation have my support,

excepting the one matter concerning the need for caution before any more cultural centres are established. I support the second reading.

The Hon. J.R. CORNWALL (Minister of Health): I thank the Hon. Mr Hill for his positive contribution. He ranged through a number of matters which are not contentious and on which I am sure he would have the support of every member of this Council as well as the vast majority of people in the community. He raised one or two matters, particularly the foreshadowed amendment where he wants to insert 'regulation' rather than 'proclamation'. I would have to take advice on such matters. My colleague the Attorney-General, who represents the Premier and the Minister for the Arts in this place, would have to take advice between now and when the Council sits again. It would be useful if we could take this Bill into the early Committee stages, report progress and seek leave to sit again.

Bill read a second time.

In Committee.

Clauses 1 to 6 passed.

Clause 7—'Repeal of ss. 4, 5, 6 and 7 and substitution of new sections.'

The Hon. J.R. CORNWALL: As I said at the conclusion of the second reading debate, amendments to this clause have been placed on file. It is highly desirable that my colleague the Attorney-General, who is interstate at a conference of Attorneys-General, should have time to consider this matter and consult with the Minister for the Arts. Therefore, I suggest that the Committee report progress.

Progress reported; Committee to sit again.

ADJOURNMENT

At 8.45 p.m. the Council adjourned until Tuesday 10 April at 2.15 p.m.