LEGISLATIVE COUNCIL

Wednesday 22 August 1984

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

PETITION: FIREARMS

A petition signed by 60 residents of South Australia praying that the Council will defeat any firearms legislation which is further restrictive; consider the effectiveness of present legislation; refuse further unwarranted increases in fees; and apply a significant part of the revenue gained to promote and assist sporting activities associated with firearms, was presented by the Hon. G.L. Bruce.

Petition received.

PAPER TABLED

The following paper was laid on the table:

By the Minister of Corporate Affairs (Hon. C.J. Sumner):

By Command—

Corporate Affairs Commission—First Interim Report on the Investigation into the Swan Shepherd Group of Companies.

MINISTERIAL STATEMENT: SWAN SHEPHERD GROUP OF COMPANIES

The Hon. C.J. SUMNER (Attorney-General): I seek leave to make a statement.

Leave granted.

The Hon. C.J. SUMNER: On 15 April 1980 the former Attorney-General and Minister of Corporate Affairs (Hon. K.T. Griffin) appointed the Corporate Affairs Commission as inspector to investigate all the affairs of the 25 companies in the Swan Shepherd group. The appointment was made pursuant to section 170 (1) of the Companies Act, 1962.

The appointment of the Commission as inspector pursuant to the Companies Act followed upon the well publicised collapse of certain companies within the Swan Shepherd group and the appointment of liquidators in respect of these companies.

Initial inquiries by the Commission disclosed that a number of companies within the group (being principally the companies that were in liquidation) engaged in mortgage broking, that is to say, soliciting and receiving funds from members of the public for the purpose of investing those funds by way of loans secured by registered mortgages of real property. The initial inquiries disclosed that these companies had received several million dollars from the public for this purpose and that part of these funds had been advanced to other group companies, apparently without security. For this reason the Commission felt that the activities of these and a number of related companies ought to be investigated first.

The first interim report on the investigation into the Swan Shepherd group of companies, which I have tabled, deals principally with these companies. The companies are:

1. Swan Shepherd Pty Ltd (in liquidation)
2. R.W. Swan Nominees Pty Ltd (in liquidation)
3. E.C.R. Shepherd & Son Proprietary Limited (in liquidation)
4. Interfranc (S.A.) Pty Limited (in liquidation)
5. Westland Finance Company Pty Ltd (in liquidation)
6. Finbro Limited (in liquidation)

The inquiries conducted into the affairs of these companies have disclosed that over the period the subject of the investigation (namely, January 1978 to April 1980) these companies received and administered in excess of $7 million of public moneys. These funds had been solicited from the public upon the basis that the companies concerned would invest the funds in loans secured by registered mortgages of real property.

Notwithstanding this, by the time the group collapsed a substantial part of these funds had been advanced to other companies within the group without any security. Of those funds that were advanced to group companies with the benefit of security, a significant proportion of these advances was, in the opinion of the inspector, inadequately secured.

The group as a whole was in serious financial trouble for the financial years 1978, 1979 and 1980. The group as a whole lost approximately $500 000 in the 1978 financial year. It lost a further $1 million in the 1979 year and until April 1980, when the group collapsed, it lost an additional $1 million. The inspector has found that public funds were used within the group to enable the group to continue trading in the face of these serious losses. The report is being carefully considered by the Legal Division of the Corporate Affairs Commission and further action is being taken in respect of some of the matters reported therein.

QUESTIONS

WINE TAX

The Hon. M.B. CAMERON: I seek leave to make a brief explanation before asking the Minister of Agriculture a question about wine tax.

Leave granted.

The Hon. M.B. CAMERON: The Minister should not be surprised to be asked a question on this subject when, in fact, we asked a question on this subject yesterday. I recall the Minister's words that he would start protesting at one minute past eight if a wine tax was applied. It is a sad and sorry saga in regard to the whole question of imposts placed on the South Australian wine industry and the Australian wine industry, but particularly the South Australian wine industry by the Federal Labor Government. I emphasise the words 'Labor Government'.

We all recall the excise applied in the last Budget to spirit used for fortified wines. That was a step that the Federal Government was told would be a disaster for the industry, but it ignored that advice and continued with that tax. It obtained about $500 000 from that tax compared with the expected $9 million. Certainly, it was well below expectations. The imposition of that tax almost wrecked the fortified wine industry in South Australia, and now it appears that the Federal Government has not learnt its lesson from that and is now proceeding down the track again with a wine tax, but this time imposed on all wines.

It appears that the Federal Government is a slow learner indeed. I do not want to go into any great detail now, because the Minister has been kind enough to indicate that he will be moving a notice of motion for a debate later this day, but it is essential that we receive some answers from the State Labor Government about this tax because, after all, the State and Federal Governments are compatible Governments. It appears that the Federal Labor Government does not like the State very much, but we will say more about that in the debate that is to ensue later in the day.

Grapegrowers in South Australia, particularly in the Riverland, are perhaps facing the most difficult plight of any in Australia. They have enough problems without this tax being applied. They receive only commissioner's price for

their grapes; that is $215 a tonne, which in many cases does not cover their costs which I am informed are up to $400 a tonne. Certainly, they do not get an adequate rate of return on their capital, which is about $10 000 an acre in their vineyards. In the past 12 months they have faced a 28 per cent increase in irrigation charges and a 24 per cent increase in electricity charges under the State Labor Government. The introduction of 10 per cent wine tax has only added to their burdens and, without compensation for specific Government impositions, many are likely to go under.

The Government in this State cannot avoid the fact that it made an attack on these areas through its own taxation. If the Federal Government refuses to reverse its decision on the wine tax, what measures will the State Government adopt to assist grapegrowers in their plight? Will the Government repay water rates and electricity rates paid in the past 12 months over and above the level of inflation and agree to the deferral of future water and electricity charges pending a total review of the plight of grapegrowers, particularly in the Riverland?

The Hon. FRANK BLEVINS: Members of this Government were as surprised as anyone in South Australia to find at five minutes to eight last night that the Treasurer had decided to impose a general sales tax on wine. I thought that we had survived for another year, but that was not to be. The sting was certainly in the tail.

Members interjecting:

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: The problems for wine grape growers in particular (although it is not just wine grape growers) will be exacerbated considerably by the measure imposed by the Federal Government. I stated yesterday at one minute past eight last night if this tax were imposed I would start working against it. That turned out to be correct. I might have had some foresight, because I gave the *Advertiser* a statement shortly after 8 p.m. last night. The fact that the *Advertiser* chose not to use that statement is a pity, but I demonstrated that I am a person of my word. Already today the Premier has spoken to the Prime Minister and has advised him of the disquiet caused in this State as a result of the application of this tax.

The Hon. L.H. Davis: Did you know beforehand?

The Hon. FRANK BLEVINS: The Hon. Mr Davis is also asking a question. Apparently, he does not think that his Leader's question was adequate. The Hon. Mr Davis asked me whether we knew beforehand. The answer to that question is 'No'.

Members interjecting:

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: In fact, the Hon. Mr Davis will see in a motion that I will move at the end of Question Time that we took the assurances given to the industry to be truthful. When the Hon. Mr Davis hears my motion he will know that we state that quite clearly. Despite the assurances given to the wine industry, the Federal Government still chose to impose this tax. That is included in my motion, and the Hon. Mr Davis will have an opportunity to speak to it later today. As I was saying, the Premier contacted the Prime Minister this morning and expressed this State's disgust and the Government's disgust at the action of the Federal Government in imposing this tax. Whilst one can argue about the levels of taxation on soft drinks and on alcoholic beverages and attempt to draw from that the conclusion that it is only fair to tax wine, I think that argument misses one very significant point: South Australia is by far the largest wine producer in Australia. Therefore, any wine tax, which will reduce consumption, impacts more heavily on this State than on any other State.

By and large, it is this State that will feel the effect of that tax. It is employment in this State that will suffer, and to a much greater degree than any other State. The State Government has argued consistently that it is a tax that is discriminatory against this State. We think that it is grossly unfair. That was stated to the Prime Minister personally by the Premier today. I remind honourable members of the Premiers' Conference, when the Premier was successful after a long hard campaign, lasting the best part of a year, to get the excise on wine grape spirit removed. That was eventually refunded to the people concerned. I congratulate the Premier on that action and I hope, as I said in my statement last night, that the Federal Government will eventually see reason on this tax, as it did, with the excise on wine grape spirit. That was eventually refunded to the people concerned. I congratulate the Premier on that action and I hope, as I said in my statement last night, that the Federal Government will eventually see reason on this tax, as it did, with the excise on wine grape spirit.

The Hon. Mr Cameron also asked what this Government would do to alleviate any hardship. The State Government has already acted very decisively to attempt to reconstruct particularly the horticultural industries in the Riverland; the Riverland Redevelopment Council has been established. The process is in train to select someone to head—

The Hon. K.T. Griffin: You set up a committee?

The Hon. FRANK BLEVINS: We did not set up a committee; we did more than that. The process is in train now to employ the head of that Redevelopment Council. It really grieves me that when we can see some progress being made in assisting those people in the Riverland—and it is not all the Riverland—who are having some difficulty in reconstructing into other crops, an additional blow such as this is imposed on them.

I want to say just one further thing in answer to this question. Since I have been Minister of Agriculture, I have had numerous meetings with representatives from various sections of the wine industry. I would have to say that it is the most disorganised industry that I have ever seen. The Hon. Mr Burdett, who had dealings in the minimum wine grape prices issue, as well as the Hon. Mr Griffin, who is a former Attorney-General, will appreciate what I am saying. The people from the wine industry are totally disorganised. One can have six or eight people in one's room, representing different sections of the wine industry, and one will get a dozen opinions, all contradicting each other, on what should be done. Wine grape growers are without a doubt the most vulnerable section of the industry. To my knowledge, three groups, and probably subgroups of those groups, represent those who are represented; some of them are not represented by anybody.

The proprietary winemakers allege that they have a different set of problems altogether, so they are going another way—and so it goes on. The small winemakers (and I heard a report on the ABC in relation to this matter this morning) have another point of view about this wine tax. The cooperative wineries allege that their problems are totally different. These differences really make the wine industry a slow moving target.

I have put a tremendous amount of time, energy and effort into the wine industry over the past 12 months and failed totally to do anything to unite that industry or to enable it to get its act together. As late as yesterday afternoon I was discussing this problem with one of the leaders of the wine grapegrowers and I must admit—

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: I am sorry, I cannot hear what the honourable member is saying.

The PRESIDENT: Order! I ask the Minister to reply to the question before the Chair rather than to interjections.

The Hon. FRANK BLEVINS: I do have dealings with the industry all the time, but I confess that I am totally frustrated about this matter. I have put a tremendous amount of work, time and effort, as have my officers, into attempting to get the wine industry on some kind of sensible footing. It has been a totally frustrating and unrewarding operation. To some extent the wine industry has itself to blame in this matter because, by not being organised and not speaking in a united manner to the Government, it has to some extent left itself open to problems. Again, we have the situation that, in relation to some of the big winemakers, the company structure is interwoven with other companies that are in the brewing industry, so there is a conflict of interests there.

The Hon. R.C. DeGaris: They were pretty united so far as the tax was concerned.

The Hon. FRANK BLEVINS: I am not even sure that that is the case. I will leave matters at this point. However, until the wine industry attempts to put its own house in order I am afraid that it will continue, as it apparently has done for the past 10 years, to lurch from one disaster to another. There is only so much that Governments can do if the people concerned will not combine and present a united front to the Government. If they continue to come to see us separately, and to put totally different and opposing cases, I am afraid that Governments will find the industry very difficult to deal with.

I regret that this tax is being placed on the wine industry. The Government will protest about it. I hope that it will be as successful with that protest as it was in having the wine grape spirit excise removed. Whatever we can do to assist, particularly in the Riverland, which I believe will be the area hardest hit, we will certainly do.

The Hon. R.I. Lucas: What are you going to do? Answer the question!

The PRESIDENT: Order! The honourable Minister has no need to pay any attention to interjections. Honourable members have a right to ask questions, if they wish, at a later stage.

The Hon. FRANK BLEVINS: If honourable members ask me a question I am far too courteous a person not to respond.

The PRESIDENT: I do not know whether that is being courteous to the rest of the members of the Council.

The Hon. FRANK BLEVINS: I do that in the maximum detail that I can. The Hon. Mr Lucas asked what we will be doing about this tax. We will, of course, be protesting to the Federal Government—we have already done that. We hope that we will get the Federal Government to see sense in the same way as we did in the matter of the excise on winegrape spirit. I hope that the Redevelopment Council will be of assistance in getting the region a reconstruction that was needed long before this tax was imposed.

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Minister of Agriculture a question about wine tax.

Leave granted.

The Hon. J.C. BURDETT: The 10 per cent sales tax on wine imposed in last night's Federal Budget will have disastrous consequences for South Australia. It is estimated that 200 000 people are employed in the wine industry and associated industries. It is also expected that the 10 per cent slug will bring the Federal Government revenue of $49 million in this financial year. My questions are quite specific, and are as follows:

1. How many people are employed in the wine industry in South Australia?

2. How many jobs does the Minister expect to be lost as a result of the decision to impose this tax?

3. Of the $49 million to be obtained from the tax this year, what will be the direct cost to South Australia?

The Hon. FRANK BLEVINS: The honourable member will appreciate that I do not have those figures off the top of my head. In attempting to get such figures one has to make a number of assumptions as to what elasticity there is in the price of wine and what percentage increase in costs will cause a consequent reduction, I suppose, in consumption. I am sure that the economists in my Department are capable of making those assumptions and of producing some figures back for the Hon. Mr Burdett. I will certainly try to have that done. That is one of the problems: we really do not know what the effects will be. The best guess that we can make is to look at the last time a wine tax was imposed by a Federal Government. Members opposite will recall that an excise tax of 50 cents a gallon was imposed in 1970, when a Federal Liberal Government was in charge in Canberra.

Without a doubt, a marked drop in consumption lasted for a short period. However, significantly, by the time the wine tax was removed, consumption had started to increase again. If one goes by that—and I am saying that that is making a number of assumptions—one will see an initial reduction in the consumption of wine and, hopefully, as occurred when the Federal Liberal Government imposed the tax, we will then see consumption increase to its present level.

We really will not be able to tell until it happens but one can make educated guesses. The figures are being prepared and the Federal Government will be advised of them. One of the points I am making is that the wine industry is not a high profit industry. It is not an industry like the brewing industry, which consists of firms that traditionally make very significant profits from brewing beer. In some areas the wine industry is very much a cottage industry.

That is one of its attractions, that, by and large, small businesses are involved in wine-grape growing, manufacturing the product, bottling and labelling it, and so on. All these areas initially—and I hope it is only initially—will be affected. I will endeavour to obtain what figures I can for the Hon. Mr Burdett, who will appreciate that we will be working on assumptions and information based on the wine tax imposed by the Federal Liberal Government in 1970.

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Attorney-General, as Leader of the Government, a question concerning Government inaction.

Leave granted.

The Hon. R.C. DeGaris: Is 'inaction' one word?

The Hon. K.T. GRIFFIN: Yes, it is one word. Last year before the 1983 Federal Budget, this State Government went to quite extensive lengths to make its opposition felt about the imposition of a wine tax. Members will recall that pamphlets were printed specially for the occasion, statements were made, even an advertisement or two appeared, and a quick trip to Canberra was made by the Premier. This year, nothing. In view of the disastrous impact of the Federal wine tax on South Australia, in particular, will the Attorney say why the Government did not take action before the 1984 Budget publicly and strenuously to oppose a wine tax, unless it was forewarned about it? Even if it was forewarned, why did the Government not protest vigorously, as it did in 1983, before the event?

The Hon. C.J. SUMNER: The honourable member's questions are based on a number of wrong assumptions. First, it is not true to say that the Government did nothing. Even the honourable member will realise that the Premier went to Canberra and discussed the question of tax on fortified wine with the Treasurer and, as a result of that—

The Hon. K.T. Griffin: Did he do a deal with the Prime Minister then?

The PRESIDENT: Order!

The Hon. C.J. SUMNER: As a result of those representations about the effect of that particular wine tax on South Australia, it was lifted. I am sure that the Premier made the views of South Australians known at that stage to the Federal Treasurer and Prime Minister. In the past, the Government has opposed the imposition of a wine tax, as the honourable member said occurred last year. This year the Government opposed the imposition of a wine tax and, indeed, was successful in having the tax on fortified wine lifted. So, it is not correct to say that nothing was done. The Government did take action, of which the honourable member is aware.

The Hon. K.T. GRIFFIN: I have a supplementary question. Why didn't the Government publicly and strenuously oppose the introduction of a wine tax before this Budget, as it did in 1983?

The Hon. C.J. SUMNER: The honourable member does not read the papers. On many occasions the Premier indicated his view of a wine tax, both this year and last year. As I said, the statement made by the honourable member is based on a wrong assumption. Objections to the imposition of a wine tax have been publicly stated last year and this year.

The Hon. K.L. MILNE: I seek leave to make a brief statement before asking the Minister of Agriculture a question concerning the Government's attitude to the newly imposed wine tax.

Leave granted.

The Hon. K.L. MILNE: The Federal Government made a mistake over the imposition of a wine tax on alcohol added to fortified wines in an attempt to get around an election promise that it would not tax wine. So, it taxed alcohol added to fortified wine, and that is a pretty funny way of doing it. It was seen to be a mistake and, of course, that tax has now been withdrawn. Incidentally, anyone would think that the Premier was the only person responsible for having that tax removed. I assure all members that many of us had a hand in it as well. The way in which the Federal Government has treated its South Australian colleagues regarding this new wine tax is an indication that it could not possibly be the Premier's request that got rid of the fortified wine tax on alcohol. It is fair for many people to share in the credit for its removal.

Having removed that tax, because it was an election promise not to impose it, the Federal Government now breaks that promise again. The Federal Government keeps referring to the equitable treatment between the wine, beer and other liquor industries. The essential difference that all members in this State know and the Federal Government seems to forget is that a grapegrower cannot switch his crop from one year to another. It takes seven years or thereabouts to do that, whereas beer manufacturers and others can switch their product overnight, as it were.

This new wine tax is very unfair to South Australia. A number of speakers have mentioned this, but let us be specific. The reasons it is unfair is that South Australia is the smallest mainland State in population, Western Australia having passed us. South Australia produces about 60 per cent of Australia's wines. More people are involved in the wine industry per cent of population in South Australia than is the case in any other mainland State. Yet, the Federal Government takes no account of that; we may as well be a foreign country as far as it is concerned. It keeps on doing things like that.

What would people in the Eastern States say if the Federal Government put a 10 per cent tax on poker machine takings? That would only affect one State and would not happen because it is New South Wales and it is a Labor State. Because we are a small State and because we do not count to the Federal Government, it thinks it can get away with it.

The PRESIDENT: Order! I have to ask the honourable member to come back to his question.

The Hon. K.L. MILNE: My questions are these: will the State Government ascertain whether the Federal Government knew or knows that no wine producing country in the world taxes its own wine industry, except possibly France, which has a nominal tax? If it does not know, will the Federal Government ascertain why no other wine producing country taxes its own wine industry? Will the State Government attempt to have this tax removed? Failing that, will the State Government attempt to have the tax reduced to 2.5 per cent? Will the State Government attempt to have a maximum tax on premium bottled wines?

The Hon. FRANK BLEVINS: In answer to the first question of whether the Federal Government is aware of the Hon. Mr Milne's assertions, I am not sure whether it is aware of those assertions, but I will direct a copy of the honourable member's remarks to the Federal Treasurer to see whether he is aware of those assertions. I assume that the Federal Treasurer will then respond either to me or directly to the Hon. Mr Milne with his answer. I cannot speak for the Federal Government. In response to the second question of whether we would try to have the tax removed, the answer is 'Yes'. The third question dealt with whether, if it was not removed, we would attempt to have it reduced, and the answer is 'Yes'. As for the fourth question, I could not make head nor tail of it.

The Hon. L.H. DAVIS: As the Minister of Agriculture would obviously have known the implications of a wine tax for South Australia, given that this State produces about 60 per cent of Australia's wine, will the Minister advise the Council what the likely unemployment will be in the wine industry resulting from the imposition of this wine tax?

The Hon. FRANK BLEVINS: That question is essentially the same as the one asked by the Hon. Mr Burdett. I have offered to supply an answer to the Hon. Mr Burdett as best we are able, but will not be able to forecast precisely what will be the effect of the wine tax. I suggest that the Hon. Mr Davis looks at the answer that I will supply to the Hon. Mr Burdett when I have looked at the questions and obtained answers to them.

GAWLER LOCAL GOVERNMENT BOUNDARIES

The Hon. I. GILFILLAN: I seek leave to make a brief explanation before asking a question of you, Mr President, about the Gawler local government boundaries report.

Leave granted.

The Hon. I. GILFILLAN: As one of the few members of this Parliament not involved in the Select Committee or in a Party bound to reaction to the report—and I believe that it is a proper role for this Council to look in detail at the report—I was interested to read that you, Mr President, had been sent correspondence from Councillor Pearce of the Munno Para District Council and Councillor McVeity, Chairman, District Council of Munno Para, in respect of the Select Committee's work and the question of Munno Para's seceding territory to Gawler. Bearing in mind that Munno Para has had a history of nervousness about other council's acquiring its area, and in particular a massive threat from Elizabeth, it is understandable that they have

been most apprehensive about the findings of the Gawler boundaries report. I would just remind you, Mr President, of two letters that you wrote, the first to the Chairman of Munno Para council where, in a paragraph towards the end, you state:

However, it is my own personal opinion that any council that is viable and satisfactory to its electors should have the right to conduct its own business. The electors of that area only should be the ones to petition for any alteration to part or the whole of their local government assets.

Later this month, on 21 August, in a letter to Councillor Pearce you stated:

I have written to your council expressing my thoughts on the matter and I am somewhat taken aback by your expression 'Please think carefully before you start carving up Munno Para.' I have always defended the right of ratepayers to make their own decision regarding divisions of their local government boundaries. I certainly have no desire to see Munno Para carved up unless it is the request of the people who pay the rates in that area.

I have a lot of sympathy with your expression of opinion in that letter. Is it your opinion, Mr President, that the ratepayers and residents of an area threatened with transfer from one local government area to another have a right for a major and significant say in that decision?

The PRESIDENT: In answer to the first part of your question, I did not write to the people. The letters from which you are quoting are answers to letters that were written to me. Secondly, it probably would have been better if you had read all of the letter. Thirdly, I believe that a Select Committee sitting over 12 months gave ratepayers the right to express their own opinions. However, the points that I made in my replies are my thoughts on the matter of dividing or the severance of council areas.

WINE TAX

The Hon. PETER DUNN: I seek leave to make a brief statement before asking the Minister of Agriculture a question about wine tax.

Leave granted.

The Hon. PETER DUNN: It appears that the Premier and the Minister of Agriculture have not been very successful in their negotiations with the Federal Government in stopping the cancerous growth in the grape industry known as the wine tax. Is it a fact that the tax collected by the Federal Government's new wine tax will exceed the total amount paid to grapegrowers for their saleable crop? Secondly, and this is similar to the Hon. Mr Milne's question, is Australia the only country in the world to have a substantial tax specific to wine?

The Hon. FRANK BLEVINS: In answer to the first part of the question, I will find out the information that the Hon. Mr Dunn requests. In answer to the second part of the question, I suppose the answer is the same as that to the question asked by the Hon. Mr Milne. I can only refer the Hon. Mr Dunn's query to the Federal Government to see whether it is aware of the assertion made by the Hon. Mr Dunn and the Hon. Mr Milne.

The Hon. Peter Dunn: I did not assert that; I asked the question.

The Hon. FRANK BLEVINS: I will do whatever I can through the Federal Government to find out. In passing, in the Hon. Mr Milne's question he said that no other country in the world imposes the wine tax, with the exception of France. That was a rather significant exception if we are talking about the wine industry.

SMALL CLAIMS COURT

The Hon. B.A. CHATTERTON: I seek leave to make an explanation before asking the Attorney-General a question about the small claims court.

Leave granted.

The Hon. B.A. CHATTERTON: I have received a report from a constituent who said that she wanted to make a claim in the small claims court but found it difficult to do so because the court was not listed in the telephone book under State Government departments. She rang the Consumer Affairs Department to try to find out where the small claims court was and was given very helpful advice. In fact, the Department gave her the number on which to ring the court.

She rang that number, and heard a Telecom recorded message stating that the number was out of order. She then telephoned the number shown in the State Government listings as the Attorney-General's Department. In fact, I think that there has been some error, because the telephone was answered by the Commonwealth Attorney-General's office. However, they gave her the number of the State Attorney-General to telephone and find out about the small claims court. She was rather put off by these problems, so she rang the number listed in the telephone book as the general inquiries number. However, on the two occasions that she rang it was engaged.

She then rang the number given to her by the Commonwealth Attorney's office as being the number of the State Attorney's office. The State Attorney-General's office did not know where to find the small claims court but said that it would look into it. After waiting for about five minutes she was given a number. She rang the number but it turned out to be the Criminal Court. They said that they would give her the number of the small claims court. She rang that number and, Eureka, it was the small claims court! However, it is listed as the local Magistrates Court. It is very difficult for constituents to find a telephone number for the small claims court. Will the Attorney-General make sure that the small claims court is listed in the telephone book and that additional publicity is given to it so that people can find out how to make contact with that court?

The Hon. C.J. SUMNER: It sounds as though the honourable member should write an episode of *Yes, Minister* on the nature of bureaucratic run-around. In fact, there is no small claims court as such; that is something of a misnomer. There is the Local Court, which has small claims jurisdiction. The Government presently is investigating whether the small claims system can be improved in this State and whether it can be made more accessible to consumer complaints and claims.

At present, the small claims jurisdiction is run by the Local Court in the Courts Department. In some other States there is a specific consumer claims tribunal; whether or not it is in the Department of Public and Consumer Affairs or whether it is part of the Local Court is probably not that important. What is important is that it is identifiable and accessible. It appears from the experiences of the honourable member's constituent that its accessibility may need to be improved. I certainly agree with the honourable member that it could be listed separately in the telephone book. I will convey that suggestion to the Courts Department. I can advise the honourable member that the small claims system is presently being investigated by the Courts Department and that changes probably will be made. Certainly, it should be accessible and available to members of the public.

WINE TAX

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister of Agriculture a question about wine tax.

Leave granted.

The Hon. R.I. LUCAS: I refer to this morning's *Advertiser*, in which the Premier is reported as follows:

Mr Bannon said he would demand compensation for any lost jobs if the Federal Government did not remove the tax.

My questions, which are related to that statement, are as follows:

1. Did the Premier have any discussions with the Minister of Agriculture prior to making that statement?
2. If so, is the Minister able to expand on exactly what is meant by that statement and, in particular:
   - *(a)* What form of compensation is or will be sought?
   - *(b)* How will that compensation be calculated?
   - *(c)* How will the number of jobs lost due to the introduction of the wine tax be calculated by Government officers?
3. When will the demand for compensation be made to the Federal Government?
4. If there is to be compensation paid by way of, say, a cash grant, will the Minister give his personal commitment to supporting the proposal that such funds be paid to what is known as the Riverland Redevelopment Council for the redevelopment or reconstruction of the Riverland area?

The Hon. FRANK BLEVINS: In reply to the honourable member's first question as to whether the Premier and Treasurer consulted with me before he said that he would demand compensation from the Federal Government for any loss of employment occurring in South Australia, the answer is 'No, why should he?' The Premier and Treasurer is quite capable of dealing with the Federal Government without getting me out of bed at midnight.

I will look at the remainder of the honourable member's long mishmash of questions, composed while he was on his feet. My impression, as the Hon. Mr Lucas was thinking them up as he stood up, was that they are properly directed to the Premier and Treasurer, but that can be decided after the Hon. Mr Lucas and I look at them to determine precisely what he has asked. If that turns out to be the case, I will direct them to the Premier and Treasurer.

PORT PIRIE LEAD LEVELS

The Hon. J.C. BURDETT: I seek leave to make an explanation before directing to the Minister of Health a question on the subject of Port Pirie lead levels.

Leave granted.

The Hon. J.C. BURDETT: An article in the Port Pirie *Recorder* of Wednesday 15 August refers to a deputation which was led by Mayor Jones and which waited on the Premier, the Minister of Health and others, concerning Housing Trust subdivision plans in Port Pirie. I quote from the report:

Mr Jones said that during the meeting Mr Bannon had been told of the 40 serviced allotments in Port Pirie which the Housing Trust could not build on because of the moratorium. The allotments are in the Broadway, Moppett and Senate Roads area and were serviced at a cost of about $40 000 by the council and about $200 000 by the Government.

The Housing Trust has applied to subdivide land in the Anzac and Broadway Roads area into 22 allotments. The council has estimated it would cost about $200 000 to service the area with roads and drainage. Mr Jones said the council did not have these funds.

That is the end of the quotation. The position then is that the allotments in Broadway, Moppett and Senate Roads, where $240 000 has been spent on servicing, cannot proceed because of the moratorium, whereas the Trust intends to develop a new subdivision and spend about $200 000 in servicing.

I am informed that there is no reason why the Broadway, Moppett and Senate Roads subdivision should not proceed. The lead levels are in fact only 500 to 600 parts per million in that area, whereas in fact the proposed new Anzac and Broadway subdivision, which the Government is talking about proceeding with, is in an area where the lead counts are higher, namely, 1 000 p.p.m. I also understand that the Housing Trust is developing six attached brick veneer units on lot 45, on the corner of Burt and Daisy Streets, one of the most heavily contaminated areas in the Solomontown area adjacent to Gallagher Flats, the area which was first embargoed.

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. BURDETT: I have not seen Bill Jones or spoken to him for months.

The Hon. J.R. Cornwall: When did you stop quoting?

The Hon. J.C. BURDETT: I said when I stopped quoting, if the Minister had been listening. I stopped quoting when I said, 'Mr Jones said the council did not have these funds. "End of quote."' The rest of that has been the understanding that I have about the matter, which I have made very clear. Getting back to the last part of what I was saying, I also understand that the Housing Trust is developing six attached brick veneer units on lot 45 on the corner of Burt and Daisy Streets, one of the most heavily contaminated areas in the Solomontown area adjacent to Gallagher Flats, the area which was first embargoed. These units would be available to anyone, and children could be residents. Once again, I am informed that the count is about 1 000 parts per million, much higher than the count of 500 to 600 parts per million in the Broadway, Moppett and Senate Roads area, where development is not allowed to proceed, even though the servicing to the tune of $240 000 is there. My questions are:

1. Does the Minister have any objection to proceeding with the development in the serviced area of Broadway, Moppett and Senate Roads?
2. Does he approve of the Housing Trust's proceeding with the proposed development in the Anzac and Broadway Roads area, where the lead counts are higher?

The Hon. J.R. CORNWALL: As he does so often, the Hon. Mr Burdett is buying into an area about which he knows very little and is getting into some very dangerous territory. The fact is that the moratorium was indefinite and was applied by the South Australian Cabinet—not by John Cornwall, Minister of Health—on my recommendation, pending the opening of an Environmental Health Office in Port Pirie to deal with a very serious environmental lead pollution problem. It was always intended that the operation of that stage 1 would be continuously monitored and reviewed at the end of about 12 months; that is, at the end of a first summer period. It was never intended that it would be more than an initial attempt to bring some of the problems under control.

Soil lead is only one measure of environmental lead pollution; there are many others. Several of them are more important and would be rated more highly than soil lead, because we do not have an accurate idea of the bio-availability of lead. So we therefore really do not know at this point quite how significant it is as one of the contributors to raised blood leads and therefore subtle damage to the central nervous system in children. There are many others: one of them is the lead-in-dust measure. Until we have been able to measure that accurately through a dry summer period in Port Pirie we will not be well placed to say how much that contributes.

Another is the fugitive emissions from the smelters—the new lead, if you like. Until we have been in a position to analyse that *vis-a-vis* the old lead, again we will not be in a position to accurately determine how much that contributes, and so it goes on. There is also the question of the generosity of BHAS over many years, when it used to make lead available to its employees to make sure that they strengthened their paint. So, obviously lead paint in some of those old dwellings in Solomontown and Port Pirie West, in particular, is a significant contributor. There is the lead in the ceiling dust, and so it goes on and on.

We have a serious environmental lead pollution problem that is affecting a significant number of children in Port Pirie, and particularly in those contaminated areas. The initial work (that is, over the first five-month period after the Environmental Health Office opened) showed that the magnitude of that might have been even bigger than some people originally believed. Therefore, it is not my intention to recommend any change to the moratorium at this time. A great deal of work is proceeding. If the honourable member remains patient I am sure that he will see within months that we will make and take very significant decisions that will help the abatement of that serious problem.

The Hon. J.C. BURDETT: I have a supplementary question. Will the Minister answer the second question: namely, does he approve the Housing Trust's proceeding with the development that it has proposed and is seeking to go ahead with in the Anzac and Broadway Roads area, where the ground lead count is 1 000 parts per million?

The Hon. J.R. CORNWALL: I am unable to respond specifically to questions that refer to particular streets. I frankly do not know the Solomontown and Port Pirie West areas, or Port Pirie city generally, well enough to be able to respond to questions concerning specific streets or even specific allotments. I can repeat that a moratorium has been placed on the further development of public housing in the contaminated areas until further notice. It would be regarded as an indefinite moratorium at this time.

POLICE SERVICE

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking the Attorney-General, representing the Deputy Premier, a question about police service.

Leave granted.

The Hon. ANNE LEVY: Last November I asked a question regarding the time spent by police in service in both the drug squad and the vice squad. I received a reply from the Minister that indicated that the maximum period that members of the Police Force are allowed to serve in these two squads is three years. The answer also indicated to me the length of time that the different members of these two squads had served at that time. It is now nine months later; so the service of all these members in these squads will be nine months more than that shown in the data given to me.

Two members of the drug squad would have passed the 36-month level if they are still members of that squad. Four members of the drug squad would be three and five months from their three years, and two members of the vice squad would be two and five months away from their three-year service. My questions are: does the three-year time limit on police serving in vice and drug squads still apply? Are the two individuals who nine months ago had 28 months and 32 months of service with the drug squad still members of the squad, or have they been allotted duties elsewhere? Will the other six members of the drug and vice squads who within between two months and five months are expected to complete their three years be moved from those squads at the end of their 36 months?

The Hon. C.J. SUMNER: I will obtain an answer for the honourable member.

ADDRESS IN REPLY

Adjourned debate on motion for adoption.

(Continued from 21 August. Page 396.)

The Hon. C.J. SUMNER (Attorney-General): I will not detain the Council for too long in this Address in Reply debate. However, there are a number of matters that I wish to deal with that were raised by honourable members. First, I congratulate the Hon. Mario Feleppa on his contribution in this debate on the question of migration—a subject that has been a controversial one in the community in recent times, particularly in relation to Asian migration. I have on previous occasions made public statements about this topic and agree with the sentiments expressed by the Hon. Mr Feleppa, himself a migrant of non-Anglo Saxon origin to this country. The most deplorable aspect of this debate is the extent to which some members opposite have attempted to politicise this situation—

Members interjecting:

The Hon. C.J. SUMNER: Not members of this Council necessarily. Some members of the Liberal Party have attempted to politicise this debate. I do not think that anyone can deny that. Mr Hodgman, official spokesman for the Liberal Party on this topic at the Federal level, has, I believe, behaved in a deplorable manner over this particular matter. The fact is that the acceptance by Australia of refugees in large numbers was a policy adopted by the Fraser Government and continued by the Hawke Government. There has not been any major shift in the pattern of migration as a result of the change in Government.

The Hon. K.T. Griffin: The Federal Government has changed the rules.

The Hon. C.J. SUMNER: The Federal Government has altered the rules related to family reunion to some extent, but it has not had any major impact on the basic policy that was in operation prior to the 1983 election.

The Hon. K.T. Griffin interjecting:

The Hon. C.J. SUMNER: It is not in contention. If the honourable member bothered to study the figures or to speak to Mr McPhee or Mr McKellar (his colleagues in the Federal Parliament), he would be set right about the basic thrust of the immigration policy. The fact is that the pre-1983 policy, in terms of the number of migrants and the places that they have come from, has not changed significantly as a result of the election of the Hawke Government. Migrants from Asia were being admitted under the Fraser Government as part of the refugee programme and are still being admitted by the Hawke Government.

An additional number of migrants are being admitted as a result of the family reunion policy. However, that policy was requested prior to the 1983 election by other migrant communities, as well, because it provides them with a greater opportunity to enable people in their families to migrate to Australia. I do not wish to prolong the debate on this issue, except to say that I think that it is a pity that the issue has become politicised by Mr Hodgman when, basically, the same policy is being followed. I think that it is probably worth remembering in this context that migration has made an enormous contribution both economically and culturally to this country. In passing, it might be worth while mentioning that two of the three gold medallists who have just

returned from the Olympic Games were from families of non-British background who had migrated to this country—Italian in one case, and, I believe, Croatian in the other. The fact is that migration has made an important contribution to the development of this country. I turn now to some of the issues raised by the Hon. Miss Laidlaw who, I imagine, has made her first sortie into the economic field in this Council.

The Hon. Diana Laidlaw interjecting:

The Hon. C.J. SUMNER: The honourable member interjects. It is the first contribution of hers in this area that has impinged upon my consciousness; that may say something about the impact of her previous contributions.

The Hon. Diana Laidlaw: Third time lucky.

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The honourable member should be pleased that on this occasion I am giving her contribution some attention. What the honourable member has done is fall into the old trap, which I suppose all politicians from time to time fall into, of not comparing like with like. She has juggled the books, as it were, on the employment figures by not comparing the same month of two different years. That destroys her argument. The employment figures quoted by the honourable member for November 1982 of 560 500 compared with 559 300 in June 1984 are, I believe, correct, but it is not statistically correct to compare different months of different years due to seasonal factors. I would have thought that the honourable member would be well aware of that trap. The honourable member has fallen into the trap, but I suppose one can put that down to her comparative inexperience. It would be more accurate to compare employment in June 1982 of 557 300 with the 559 300 employed in June 1984. This shows an increase of 2 000 in the two-year period. Such comparisons do not show the rapid contraction in employment that occurred during most of 1983 due to the economic recession. No-one can deny that the employment growth of 20 700 jobs in the 12 months to June 1984 was nothing short of spectacular, even if it was achieved from a recessionary low.

It is also worth pointing out that unemployment in South Australia, and indeed the rest of Australia (as we heard last night as part of the Budget debate), fell quite dramatically over the same period from 11.2 per cent in South Australia in June 1983 to 9.1 per cent in June 1984. I think it is worth while noting that, on June 1984 unemployment figures, South Australia has the second lowest unemployment rate in Australia. At the time this Government came to office in November 1982 South Australia's unemployment rate was the highest on the mainland.

The Hon. Diana Laidlaw interjecting:

The Hon. C.J. SUMNER: The fact is that the unemployment rate in South Australia was the highest on the mainland, I believe, when the Labor Government came to office in November 1982. At the moment we stand as second lowest behind Victoria, 7.6 per cent; South Australia, 9.1 per cent; Queensland, 9.2 per cent; New South Wales, 9.5 per cent; Western Australia, 9.8 per cent; and Tasmania, 10.4 per cent. Obviously, there is not a lot in those differences; nevertheless, on the basis of the figures produced in June 1984, there has been that improvement in the position in South Australia.

I believe that the honourable member should recognise that fact. It should be remembered also that as economic and employment opportunities continue to improve then, based on historical experience, a greater proportion of the working age population seeks employment. This, of course, makes the task of reducing statistical unemployment that much harder.

I now turn to the honourable member's criticism of job creation programmes. Job placements in South Australia under the Community Employment Programme commenced in September/October 1983. In the period up to 30 June 1984, 1 659 people were working or had been employed under the CEP in South Australia. It can hardly be said that the total employment growth of 20 700 people in the 12 months to June 1984 is insignificant. Quite a significant number of people have been placed in employment by the CEP.

It is also not true to say that it is only CEP employment and Government sponsored employment that is being created. The CEP, which obviously cannot solve all the problems of unemployment, is designed to reduce the difficulties that many people have in not finding jobs. On 17 August 1984, the Australian Bureau of Statistics released data on wage and salary earners showing that from July 1983 to December 1983 Government sector employment increased by 3 200 people. I emphasise that that does not refer only to the Public Service, but refers to employment in all aspects of the public sector.

This compares with an increase in private sector employment of 13 600 people over the same period—281 600 people to 295 200 people. So, during that time there was an increase in the private sector employment in this State: it was not the case, as the honourable member tried to say, that any increase in employment had occurred only as a result of the CEP.

The importance of economic growth to a recovery in the labour market is difficult to overstate. The primary responsibility for this rests with the Federal Government. Economic growth high enough and sustained for long enough to significantly reduce unemployment during the remainder of this decade will require the application of a consistent set of policies with regard to prices and incomes, expenditure and taxation, the money supply and the exchange rates.

The State Government's ability to influence the level of economic activity, and thereby employment and unemployment, is limited, as the honourable member should know. However, this State Government has developed a consistent set of policies and programmes to assist in promoting employment in South Australia. There has been that growth in jobs that I have mentioned. Many of the jobs created have been in the private sector and it is not valid, in my view, to criticise as being completely useless the moneys expended through the CEP. It is interesting to note, for the honourable member's benefit, that some job creation schemes were commenced before the March 1983 election of the Hawke Government. Some of the schemes were started by the previous Federal Liberal Government.

The Hon. Diana Laidlaw: That is a totally different basis of operation.

The Hon. C.J. SUMNER: Nonetheless, they are job creation schemes. All I am saying is that the capacity of the State Government to influence the economic situation dramatically is limited. The economic situation clearly depends on Federal Government initiatives and international factors. Nevertheless, I believe the initiatives that the State Government has taken have been useful in providing some stimulus to employment in this State and have undoubtedly led to an improvement in the situation compared to the position when the Labor Party came to office.

I do not want to over-estimate the importance of the CEP. It cannot be seen as a complete panacea to unemployment, and anyone who sees it in those terms is obviously mistaken. I see it as being one measure available to combat the increasingly complex and serious problem of unemployment.

It is probably worth while stating the benefits of job creation schemes. First, participation in job creation schemes improves the ability of people who have been unemployed for some time to actually find a job. A solid body of

evidence suggests that people with a recent work history, no matter how short, have a better chance of gaining full time employment than have those who have been unemployed for a long period of time.

Secondly, if a training element is involved in the particular project, it improves the chances of the unemployed person finding work. Thirdly, a point that is often overlooked is that people with regular employment and wages naturally spend more. That can have a multiplier effect throughout the entire community. Fourthly, it has been demonstrated that projects in some circumstances create long term employment.

There are some advantages in a community employment programme. It is not a panacea or the complete answer, but it has the advantages I have outlined to the Council and the honourable member. I do not believe that these schemes can be completely dismissed as useless. They are actually putting people into jobs (often young people who have not had work experience), giving them work experience, and therefore providing some greater capacity for those individuals to be subsequently taken up in the work force.

The Hon. Mr DeGaris addressed the question of Parliamentary reforms, and I will leave the detailed consideration of those until the Bills are introduced on those topics. It was interesting to note that the Hon. Mr DeGaris based his whole argument on the fact that he saw the moves as designed to entrench the growth of Executive power, a matter that the honourable member has spoken about on a number of occasions.

I put to the Council that one measure suggested, namely, that of minimum three-year terms, has exactly the opposite effect. Presently, the situation of no restriction on when an election can be called by a Government surely is one of the important factors in terms of Executive power that a Government has. The capacity not to be able to call an election until three years has elapsed is clearly a signficant restriction on Executive power, not an expansion, as the Hon. Mr DeGaris tried to argue.

In fact, making a three-year minimum term provides, I believe, all people in the community, the Opposition Parties, the Government, and the electors, with a more even chance in the electoral system, because they are assured that before three years there will not be an election. Presently, an election can be called by the Government at any time for any purpose.

So, I refute what the Hon. Mr DeGaris said about the proposals put forward by the Government—on simultaneous elections, a minimum three-year term, a maximum four-year term and the power of the Legislative Council on supply—as being a complete move towards the entrenchment and growth of Executive power.

Clearly, with respect to one of those proposals, it is not. There are advantages, I believe, for the Parliamentary system in the other proposals that I have mentioned. Four-year terms will be introduced federally, I believe; they have already been introduced in New South Wales and will be introduced in Victoria. General approval exists in the community now for those longer terms of Parliament. An important reform is in relation to the power of the Legislative Council to block Supply. It should be pursued, although that power has never been used. I believe that in this State at least the opportunity is always there for Supply to be blocked and, unless it is contemplated to be used, why retain that power? If the power is not there to block Supply, then it removes the temptation for an Upper House to destroy a Government which is created by—

The Hon. K.T. Griffin: It also involves the temptation for the Government to abuse the people.

The Hon. C.J. SUMNER: That is clearly a nonsensical remark.

The Hon. R.J. Ritson: What ill are you trying to remedy in a situation that has never occurred?

The PRESIDENT: Order!

The Hon. C.J. SUMNER: I happen to believe that the Government should be formed in the Lower House. That was the principle fought about in 1975, and the Upper House should not have the capacity to attack the formation of a Government. With the power to block Supply, that is clearly what it has: it has the capacity to destroy a Government.

The Hon. R.J. Ritson: But that power has never been used.

The Hon. C.J. SUMNER: That might well be said by the honourable member before the power was used in the Federal arena in 1975.

The Hon. K.T. Griffin: It has no relevance in a democratically elected House.

The Hon. C.J. SUMNER: You are saying now that the Senate was not democratically elected. That is an interesting admission from the former Attorney-General. I would have thought that the honourable member would know more about the Federal Constitution than that.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: In terms of Parliament's functioning well, I believe that there is a need for stability of the Government in the Lower House. If the Government is going to be attacked and motions of no confidence moved in it, that should occur in the Lower House. I do not believe that a Government should be destroyed by the subterfuge of an Upper House's blocking Supply. If that capacity is taken away from an Upper House, then there is greater capacity for the Upper House to perform a useful function in terms of reviewing legislation and criticise the Government in expanding its committee system, and so on. No doubt that matter can be addressed later when the Bill is introduced.

All I can say is that I reject the Hon. Mr DeGaris's arguments that the moves of the Government are all designed and will all have the effect of entrenching the growth of Executive power. Clearly, that is not the case, at least in relation to one of the propositions being put forward.

The Hon. Mr Lucas addressed the questions of Qangos and made the point that they were increasing in number. He said that some Parliamentary surveillance of them was needed. I would not disagree that there is a need for some Parliamentary surveillance of Qangos. The problem is that the previous Government introduced a Bill, in the last few months of its term of office before November 1982, to establish a committee in the Upper House to look at statutory authorities. The problem was that the Bill was completely useless. It enabled the Government to determine which statutory authorities were to be investigated by Parliament. As the Hon. Mr DeGaris pointed out then, that was really a sop—it did not give the committee any power. It did not give it the powers of the Public Accounts Committee. The Government could determine which statutory authorities were to be looked at. The Labor Party at that time opposed that Bill, as did the Hon. Mr DeGaris.

The Hon. R.J. Ritson: Are you going to introduce—

The Hon. C.J. SUMNER: I am glad that the honourable member raised the topic. I do have a concern about improving the committee system in Parliament. Shortly after coming into Government I established a joint committee of Parliament to look at that topic. Shortly after that committee was established, a research paper on the committee system of Parliament was prepared by Mr Richard Kleinig of the Attorney-General's Department. It was circulated to all members and made public. What do we find now? That occurred about 12 months ago. But we now find that there has been no response from Liberal Party members in another

place. There has been absolutely no response to that working paper prepared by Mr Kleinig. I am disappointed. It is a great pity that there is apparently no interest from the Liberal Party in the Lower House on this topic.

I put the proposition forward in a genuine attempt to try to improve the quality of debate and information in Parliament, but it has been ignored completely by House of Assembly members of the Liberal Party. No response has been forthcoming from them on the options outlined in that working paper—absolutely no response. Frankly, I would not have have moved to establish the committee in this way had I believed it would receive that sort of apathy and disinterest by Liberal members in the Lower House.

After some prodding, Opposition members in this Council got their act together and put in a submission. To date, Liberal members in the Lower House have done nothing. As I have said, I would have thought that all members of Parliament would be interested in making the system work better, and would be interested in creatively improving our Committee system in order to involve members more in decision making and to ensure that the factual basis on which we operate, in terms of the debates and decisions we make, is better than it has been in the past. That, however, has not happened. I will persevere with the committee and hope that the end result can see some improvement in the system. I openly express my disappointment at the reluctant apathetic attitude of Liberal members in another place who have shown absolutely no interest in this topic, in not even considering a response to the working paper prepared.

I make one point about the Hon. Mr Lucas's contribution on this point. As I understand it, he criticised the working paper prepared by Mr Kleinig. I found that criticism a little disturbing, and Mr Kleinig is disturbed about the criticism. In fact, Mr Kleinig has told me that he gave information to the Hon. Mr Lucas, who had telephoned him, on this topic. Apparently the Hon. Mr Lucas told Mr Kleinig that he wanted the information on the basis that he was doing a private paper for the South Australian Institute of Technology. Mr Kleinig indicated that the list he gave was not complete. He made that clear to Mr Lucas, and also indicated that the State Bank and the South Australian Savings Bank Acts had been repealed. That information was made available to Mr Lucas. Mr Kleinig said that the list was not complete, yet Mr Lucas has come into this Council and criticised the paper on the basis that the number of statutory authorities is understated.

I find that disturbing, first, because Mr Kleinig is a public servant and, secondly, apparently the Hon. Mr Lucas misrepresented the basis on which he was seeking the information from Mr Kleinig. It might well be worth while asking whether the Hon. Mr Lucas's lists of questions that he produces here every week about the number of statutory authorities are a means of getting some research done for the academic work that I understand he is doing at the South Australian Institute of Technology or some other academic institution. I think it is a pity that the honourable member chose to use the information in the way he did without checking with the public servant who had given it to him in a quite open and reasonable way.

I will not argue about the need to ensure proper surveillance of statutory authorities. Honourable members opposite seem to have had a sort of latter day conversion on many of the issues that they now raise in Parliament. The Hon. Mr Griffin is an expert at it, and it looks as though the Hon. Mr Lucas has fallen into the same sort of trap. On 24 March 1982, in a contribution in this place on the question of statutory authorities, I pointed out that, despite all the rhetoric from the Liberal Party about deregulation and criticism of Qangos and criticism of the creation of statutory authorities, up to that time the Liberal Government had in fact created or announced 37 new statutory authorities and had abolished 15.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: That is not right. Is the Hon. Mr Davis denying that 37 new statutory authorities were created or announced as at March 1982? Is the Hon. Mr Davis saying that in 1980 the Liberal Government did not create the Non-government Schools Registration Board? Is he saying that the Liberal Government in 1980 did not create the State Disaster Committee? I can quote them all from pages 3456-7 of *Hansard* of 24 March 1982. As I have said, even if the honourable member has a point—and I do not concede that, because I do not think he is correct—the fact is that as at March 1982 the creation of 37 new statutory authorities by the Liberal Government had occurred or had been announced.

The trend to create statutory authorities, as I explained in my speech in March 1982 (which I will not repeat now), is a trend which is part of present day Governments, whether Liberal or Labor. Because of that trend, because statutory authorities are necessary or seem to be necessary by Governments to cope with the complexity and diversity of situations with which society is now confronted, and because Governments see that need, I concede that there is also a need to ensure proper surveillance and accountability of statutory authorities. In that respect, I have no argument with honourable members who have made that point. As I have said, the pity is that honourable members opposite have decided that it is really all a matter of the Labor Party that has been involved in the establishment of statutory authorities; clearly, that is not correct.

The Hon. Mr Griffin talked about the question of regulations. In that connection, there are some interesting statistics that one can refer to. The Hon. Mr Griffin received some publicity for saying that more was being contained in regulations now than was desirable and that Parliament should contain all the details of legislative enactment, and really it was not appropriate to put the material—

The Hon. K.T. Griffin: You didn't bother to read what I had to say.

The Hon. C.J. SUMNER: The honourable member said that there should be less of the substance contained in regulations and more of it contained in Acts of Parliament. This problem has been raised by probably more eminent people than the Hon. Mr Griffin on previous occasions. In fact, in the United Kingdom I think the Chief Justice of the High Court, Lord Hewett, wrote about it in *The New Despotism.* He criticised the use of subordinate legislation. The fact is that, if one takes the example of the United Kingdom, for instance, with the incredible pressure on Parliamentary time, there has been a tendency to place in Bills general principles and to leave much of the detail to regulation. That tendency was pointed out in the 1930s in the book that I have mentioned. Apparently, the Hon. Mr Griffin has discovered it anew in South Australia.

Again, it is interesting to note that the Hon. Mr Griffin seems to have had some kind of conversion, having shifted from this side of the Chamber to the opposite side. I refer the honourable member to a summary of regulations considered and disallowed per Parliamentary session over the past few years. The honourable member gave the impression in his speech that the Labor Party somehow or other was doing this more than he and his colleagues did when they were in Government. The fact is that that is not true. It is true in general terms, as I pointed out, that in the United Kingdom and South Australia the style of Parliamentary drafting has tended towards the establishment of principles in Acts of Parliament that are considered by Parliament

and the details being contained more in regulations. That is not a new trend.

It is interesting to note that in 1979-80, 250 sets of regulations and by-laws were allowed by the Subordinate Legislation Committee and three were disallowed; in 1980-81, under the Liberal Government, 372 were allowed by the Subordinate Legislation Committee; in 1981, 375 were allowed by the Subordinate Legislation Committee; in 1982, 186; in 1982-83, 170; and in 1983-84, 292. It is interesting to note that in 1980-81 and 1981-82, under two full years of Liberal Government the number of regulations and by-laws considered by the Subordinate Legislation Committee—

The Hon. K.T. Griffin interjecting:

The Hon. C.J. SUMNER: That is subordinate legislation.

The Hon. K.T. Griffin: I am talking about regulations. You didn't bother to look at what I had to say. You put people in gaol by regulation.

The PRESIDENT: Order! The Hon. Mr Griffin will cease interjecting.

The Hon. C.J. SUMNER: The problem with the honourable member is that he has had a change of heart. In Government he adopted the same general practice and trend that has been adopted by Governments in this State, in other States and in the United Kingdom for many years. I am pointing out in relation to this matter that in 1981-82, under a full year of Liberal Government, the number of regulations and by-laws considered peaked at 375. That figure has not been exceeded before or since in the period I mentioned from 1979 to 1984.

I point out that to the honourable member to indicate to him that what he says is not new or particularly related to this Government. What the honourable member says occurred when he was Attorney-General and there may be a point that needs to be made about it, but the problem is that, like the Hon. Mr Lucas, the Hon. Mr Griffin cannot resist trying to imply that somehow or other this Government is to blame for this trend in the method of drafting.

The Hon. K.T. Griffin: We did not send people to gaol by regulation.

The Hon. C.J. SUMNER: The honourable member could have moved to disallow the regulations. It is interesting to note that the question of the Subordinate Legislation Committee and its powers is another question that is before this Committee. It is another area where Liberal members in the House of Assembly have done nothing. They have not made one significant contribution to the paper prepared by Mr Kleinig. They have not put in a response.

The Hon. K.T. Griffin: I did.

The Hon. C.J. SUMNER: You did, I agree. It may be that that question can be addressed. That was the point of setting up that Select Committee as I did. I am disappointed, particularly at the attitude of the Liberal members in the House of Assembly. They have shown no interest at all in the deliberations of the Committee in trying to come to grips with these issues. As I said, if I had had my way again on that, I would not have established this Committee, but would have worked out a proposal to put to the Parliament and put it forward as a Government proposition.

The Hon. R.C. DeGaris interjecting:

The Hon. C.J. SUMNER: That is right; it could have been done in a different way, but I thought that it was an area of concern to all members of Parliament—Lower House and Upper House. I thought that there was some validity in what I was saying, having spoken on it on previous occasions, but in retrospect I would not do that again; I would develop a Government proposition, bring it in and then allow the Council to debate it. But, as I said, although despondent and disappointed, I am not completely downed by the apathy and disinterest shown by members in another place. We will pursue the matter with a view to getting some resolution of it, at least, I hope, before the expiry of this Government's term of office. I believe that I have covered many of the issues raised by honourable members and look forward to pursuing the debates—

The Hon. K.T. Griffin interjecting:

The Hon. C.J. SUMNER: I will not steer away from Special Branch. The honourable member raises the matter of Special Branch. As soon as the Hope Committee reports, as I have outlined previously, fresh guidelines will be tabled in the Parliament with respect to the sort of material that should be held by police officers in this sort of criminal intelligence area. I reject what the honourable member said in his contribution about Special Branch. The guidelines that were promulgated by his Government were broader, less important and restrictive in terms of Ministerial accountability. They provided no capacity for Ministerial accountability in the transfer of information from the State Police Force to—

The Hon. K.T. Griffin interjecting:

The Hon. C.J. SUMNER: You did not have that agreement.

The Hon. K.T. Griffin interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: That agreement was not signed until well after the guidelines that were promulgated by the Hon. Mr Griffin in this Council.

The Hon. K.T. Griffin interjecting:

The Hon. C.J. SUMNER: Eventually it was signed, but not until well after the honourable member had promulgated the guidelines; so it is not correct to say that he could table the guidelines and that they were satisfactory because he had an agreement, because at that stage he did not. An agreement was subsequently reached, which will be looked at following the Hope Royal Commission report. This Government is committed to tightening up the guidelines in relation to this sort of material. Those are the statements that I have made on previous occasions, and that will be done in due course.

Motion carried.

The PRESIDENT: I have to inform the Council that His Excellency the Governor has appointed 4.30 p.m. today as the time for the presentation of the Address in Reply to His Excellency's Opening Speech.

PUBLIC SECTOR SUPERANNUATION

The Hon. L.H. DAVIS: I move:

That, without detracting from the need for the State Government to act immediately on the recent recommendations of the Acting Public Actuary, this Council urges the State Government to establish forthwith an independent public inquiry into public sector superannuation schemes in South Australia with the following terms of reference:

1. The adequacy of present provisions for the management of all South Australian public sector superannuation schemes, including:
   - *(a)* structure and management of schemes;
   - *(b)* representation of contributors;
   - *(c)* actuarial assessment and valuation;
   - *(d)* reporting to Government and contributors, and contributors' access to information; and
   - *(e)* auditing requirements

in terms of the efficient operations of these funds and the protection of the interests of contributors and the Government.

2. Whether existing administration of schemes is efficient and administrative costs are reasonable.

3. Whether the terms and conditions governing eligibility for membership of various schemes are reasonable in comparison with other schemes in Australia and whether these terms and conditions are equitable between different employees.

4. The appropriateness of the current benefits, having regard to—

(a) the needs of contributors, superannuants and beneficiaries;

(b) comparable benefits for public sector employees in other States and in the Commonwealth Government and those prevailing in the private sector, also having regard to any differences in salary packages and to the role of superannuation in the recruitment and retention of South Australian Government employees; and

(c) vesting

and including the reasonableness of provisions governing breaks in service, resignation, early retirement, ill health, retirement, retrenchment or redundancy.

5. The suitability of the present basis of Government funding of the various schemes, including the funding of administrative costs, and the future financial implications for Government of the existing basis of funding.

6. Whether the existing investment powers and pattern of investments of these schemes is optimal from the point of view of contributors and of the Government; and whether existing arrangements provide the most efficient mechanism for maximising the investment income of the schemes.

7. The adequacy of the existing legislative and regulatory framework for the operation of schemes and the appropriate legislative framework for any recommended changes in the structure and operation of the schemes;

and that such inquiry should report to Parliament by 30 September 1985.

The time has come to tear off the bandaid from the sore of public sector superannuation. In recent years, several of my Parliamentary colleagues have commented on the escalating costs of the South Australian Superannuation Fund, which provides benefits for persons employed by the State Government and approved statutory authorities, including the South Australian Housing Trust, the State Government Insurance Commission and the South Australian Health Commission. This fund was established by legislation in 1974 and is similar to the principal Victorian Government insurance scheme.

The Acting Public Actuary has only recently completed the triennial review of this fund for the period ended 30 June 1983, as is required by Statute. Regrettably, it was 13 months after the end of the triennium, and such a delay in providing vital information is hard to explain or excuse, especially since the Attorney-General, in a letter dated 15 December 1983, advised me that the Government expected to receive the report 'shortly'. Nevertheless, it is the most comprehensive report yet produced on the scheme, and I commend the Acting Public Actuary for this document.

The Police Pensions Fund is another public sector superannuation scheme, also established by Act of Parliament, with control and investment of the fund being vested in the Treasurer. The South Australian Superannuation Fund as at 30 June 1983 had 21 406 contributors, with over 50 000 public sector employees having elected not to join the fund. Apart from Western Australia, all other States have compulsory public sector schemes. It is fortunate that the South Australian scheme is voluntary. As it is, about 5.5 per cent or $54 million of the Government's total annual salary bill of $1 000 million is gobbled up by superannuation payments.

The recent triennial review observed that, if all public servants were to join the fund, superannuation payments would reach a massive 27 per cent of the salary bill within 40 to 45 years. But, even with less than 30 per cent of eligible public servants in the scheme, questions must be asked and answers must be given. Consider the following facts. First, let us examine the estimates of the cost of the scheme to Government or, more accurately, the taxpayer. Every three years the Public Actuary, Mr Ian Weiss, is required to undertake a triennial review into the state and sufficiency of the fund. In October 1978, less than six years ago, Mr Weiss estimated that the cost of the superannuation scheme to the Government for the year ending 30 June 1988 would be $57 million. That prediction will be easily surpassed in the current financial year. Indeed, the actual cost for 1983-84 was $53.8 million, close to a doubling of the cost of just over four years ago.

In 1982-83 the State Budget estimate for the South Australian Superannuation Fund was $44 million. The actual payment was $45.24 million, an overrun of $1.24 million. In the 1983-84 State Budget the proposed payment was $53 million: the actual result $53.77 million. These are just three examples of overruns: $2 million in the past two years and a significant miscalculation in 1978.

Secondly, the last three triennial reviews contain interesting observations. In the 1977 investigation the Public Actuary stated the following:

The fund will be approximately in balance at 30 June 1980.

But, as at 30 June 1980, there was a deficit of $8.33 million in the fund, or about 2 per cent of total liabilities. In the 1980 investigation, Mr Weiss stated:

If from July 1981 the fund becomes responsible for the payment of 6½ per cent of the cost of supplementation (as compared with the 5 per cent of that cost presently borne by the fund), the fund will be approximately in balance at 30 June 1983.

In fact, there was a deficit of $19.9 million, notwithstanding the fact that the fund's contribution to the cost of supplementation rose from 5 per cent to 6½ per cent from 2 October 1981 and not 1 July 1981 as anticipated.

Thirdly, the Public Actuary is placed in an impossible position under the provisions of the Superannuation Act. As President of the Superannuation Board he is the permanent administrative officer of the Board. He is described in the Act as 'The Actuary to the Board', and yet he is the Chairman of the Board. He is also the Chairman of the South Australian Superannuation Fund Investment Trust, which is charged with managing and directing the investments of the Trust. Having been a principal player in investing the funds as Chairman of the fund he then dons his Public Actuary's hat and investigates the state and sufficiency of the fund. This triennial review of the fund, and his annual report on behalf of the Board and the Trust, must be forwarded to the Treasurer.

Successive Governments have created a situation where the Public Actuary is required to wear three hats: administrative officer of the Board; managing the investment of funds; and then actuarially reviewing the fund which he himself is administering. The Public Actuary wears more hats than Elton John. Quite clearly, this places an impossible burden on the Public Actuary. He should have an active professional and yet independent advisory role to the fund. There can be no question that his independence is compromised by his direct involvement in the management and investment decisions of the superannuation scheme.

Fourthly, the investments of public sector funds merit close scrutiny. The South Australian Superannuation Fund has now been running for 10 years. I am confident that an independent inquiry would show that a professional funds manager would have achieved a much higher earnings rate and that it is likely that the total value of assets of $267 million as at 30 June 1983 could have been tens of millions of dollars higher with a more appropriate investment policy. The triennial review reveals that in 1977 only 0.7 per cent of investments were in growth investments such as real property, convertible notes or equity shares, in 1980 the figure was 15.2 per cent, and at 30 June 1983 these investments represented 43.5 per cent of the book value of investments.

Although there has been an obvious change in direction in recent years, I have two concerns. One is that the Public Actuary is obviously having a love affair with property. I find it extraordinary that the largest superannuation fund in South Australia has only 5.7 per cent of its assets in equity shares or convertible notes—unsecured notes which

can be converted into equity shares. Over the past two years the Australian share price index has risen by about 55 per cent resulting in significant gains for private sector superannuation funds.

The plain fact is that major private sector superannuation funds invariably commit 50 per cent to 60 per cent of their funds to capital growth investments. A typical investment mix in the private sector for a superannuation fund managed by a leading life office would be 30 per cent in Commonwealth Government, State and semi-government securities, 25 per cent in equity shares, 25 per cent in property, 10 per cent in natural resources and 10 per cent in cash and short-term deposites. Obviously, this mix will vary from time to time. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

ADDRESS IN REPLY

The PRESIDENT: I ask all members to accompany me now to Government House to present the Address in Reply to His Excellency the Governor.

[Sitting suspended from 4.10 to 5.2 p.m.]

The PRESIDENT: I have to inform the Council that, accompanied by the mover, seconder and other honourable members, I proceeded to Government House and there presented to His Excellency the Address in Reply to His Excellency's Opening Speech adopted by this Council, to which His Excellency was pleased to make the following reply:

I thank you for your Address in Reply to the Speech with which I opened the third session of the Forty-fifth Parliament. I am confident that you will give your best attention to all matters placed before you. I pray for God's blessing on your deliberations.

WINE TAX

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

That this Council believes:

1. That the general sales tax on wine imposed in the Federal Budget, despite assurances to the contrary that were given to the wine industry, unfairly discriminates against South Australia.
2. That the tax will not only have a disastrous effect on the growth of a key South Australian industry but will also disadvantage regional economies within the State and particularly hinder the redevelopment and reconstruction programme which the South Australian Government has initiated in the Riverland.

And therefore calls on the Federal Government to ensure:

3. That the inquiry into the grape-growing and grape product industry, which it has announced, will fully consider the short and long-term implications of the new sales tax for the wine industry in South Australia.
4. That financial assistance is provided to the State for redevelopment and adjustment programmes in wine grape-growing areas whose viability is threatened by the imposition of this new tax.

As Question Time was largely taken up with discussion of questions and answers on the wine tax announced in the Budget last night by the Federal Government, I do not intend to take up a great deal of the time of this Council in going through all the arguments again. I will do my best to summarise the arguments and the answers that I gave during Question Time.

Briefly, the arguments embodied in this motion are, first, that the tax announced by the Federal Treasurer is discriminatory against South Australia. Something like two-thirds of the wine produced in Australia is produced in South Australia. Therefore, any adverse consequences of this tax by way of reduced consumption and, thereby, reduced employment in the industry, the problems of wine grape growers, etc., will fall disproportionately on South Australia as compared with any other State. Our first argument is that the tax is discriminatory against South Australia and that the Council believes that the Treasurer has not taken that into consideration.

Any Federal Government, whilst we appreciate it has to raise taxes, has to consider the question of equity and if a tax has to be raised then it should not be a tax that unfairly discriminates against one State. To compound this problem it has been estimated that the region in South Australia that will be hit most by this tax is the Riverland—an area already having considerable difficulties. The economy of this area is based primarily on horticultural products which traditionally are not of a very high value. It is not as though the Riverland produces exorbitant profits for people involved in agriculture in that area. It is a great pity that that area, which is already in some trouble, has had a further blow inflicted on it.

Again, the estimate is that about 60 per cent of the wine produced in South Australia is produced in the Riverland. Whilst the tax is discriminatory towards South Australia, embodied in that discrimination is discrimination against the Riverland—an area that can ill afford any further adverse imposts on its production. As members are aware some of the industries in the Riverland—the canning fruit industry, the citrus industry, the dried vine fruit industry, and wine grapes—are having their own individual problems. This tax merely compounds those problems.

A recent IAC Report into the dried vine fruit industry indicates that it is experiencing extremely difficult problems. The IAC Report, I feel, does not address as well as it could those problems, and I will have something to say about that in another debate. Some dried vine fruit growers inevitably will switch their dual purpose grapes in to the wine grape market, further compounding the problem. There have been some very preliminary estimates made, and I will advise the Council of them. These preliminary estimates—and they are only estimates—indicate that the 10 per cent sales tax will result in a decrease in wine production of something in the order of 20 million litres in South Australia.

That is a drop of about 27 000 tonnes in grape requirements, a significant amount indeed. To have such a degree of surplus grapes in the market place will inevitably mean resulting pressures on wine grape prices, which are already very depressed. The South Australian Government has been aware of the problems in the wine grapegrowing industry for some time. It is fair to say that all Governments over the past 10 years or so have been aware of the problems, and to varying degrees have been trying to address them.

Certainly, as regards the wine grape industry problems, we have minimum wine grape prices as an attempt to reduce some of the problems for wine grapegrowers. I do not know that that scheme is a total success, but the experts tell me that without it things would be even worse, if that were possible. Governments of both persuasions have maintained that scheme to date in an attempt to assist the wine grape industry.

This Government has also set up a redevelopment council that we hope will assist in the restructuring that is necessary in the Riverland. I believe that with goodwill on all sides that council can be successful. It seems a pity, when the council is just getting off the ground, when people are being employed to operate the council in the Riverland, that they have another problem thrust on them. My guess is that if a wine tax had to be introduced (and it appears that some Government some day would be unable to resist the temptation) it should have been phased in or some forewarning given to enable the Riverland redevelopment programme to operate to assist people in adjusting out of wine grapes into alternative crops, or specifically out of varieties that

appear to be no longer required by the industry at an economic price. A degree of success could have been achieved possibly in alternative crops. Of course, this significant additional impost puts a significant and further strain on the Riverland Redevelopment Council and a further strain on that industry.

Further, I met with Ministers of Agriculture from New South Wales and Victoria and a committee has been established to look at minimum wine grape prices in the three States of New South Wales, Victoria and South Australia. As the other States have a very limited form of minimum prices for wine grapes, the position in the other two States was to some extent undermining our minimum wine grape prices. Again, all these proposals were in train, and it is a great pity that, before this impost befell the region, they were not allowed to develop to the assistance of the industry and within the Riverland. I point out that the Premier and I have requested assistance from the Federal Government to deal with the problems of the Riverland region. Despite our best efforts we have had no assistance at all from the Federal Government.

The Hon. R.I. Lucas: Was that prior to this announcement?

The Hon. FRANK BLEVINS: Yes, we have had no assistance whatever. That point has been made constantly to the Federal Government and it was made again by me at Agricultural Council recently. I suppose in the real world, if the tax is going to stay, the South Australian Government will be claiming compensation for the loss of employment and the like. As a result, portion of this wine tax should be diverted to the Riverland to enable the people to alleviate some of the problems that were caused and again enable the people who are affected adversely by the tax, to be redeployed and have their properties readjusted to enable them to cope with this decision by the Federal Government.

I suppose there is one hopeful note in the announcement by the Treasurer: my understanding is that Mr Kerin is establishing an inquiry into the grapegrowing and grape products industry, and I am sure that that inquiry will proceed. I will be doing my best to contact Mr Kerin (I have tried this afternoon) to ensure that the short and long-term implications of the new sales tax on the wine industry in South Australia will be dealt with by that committee. That is embedded in the motion.

I want to conclude by saying that this motion is sensible. It has no political connotations whatever. It is designed to be constructive and to point out in the most specific terms what all South Australians expect from the Federal Government if this tax is to continue. It is a motion which, if it is read carefully by all honourable members, can be supported by the Council. There is no point in moving motions which, whilst they may enable honourable members to feel good by getting something off their chests, in the long run do not get far.

I believe that the South Australian Government was very responsible in its approach to the Federal Government over the excise on wine-grape spirit used in fortifying wine that was imposed in the last Budget, and we were successful in having that impost removed. I hope that, by this motion and by constant follow-ups in the terms of the motion, we can make an impact on the Federal Government to hopefully eliminate the tax or at least reduce its impact on this very vulnerable sector of the community. As I said, the terms of the motion are such that I believe all honourable members can support them and demonstrate that they are interested in the problems of the wine industry, and that they are not interested in playing politics with what is a very vital industry to this State. I urge the Council to support the motion.

The Hon. M.B. CAMERON (Leader of the Opposition): The Federal Budget, the details of which were announced last evening, contained a devastating blow for South Australia. The imposition of a 10 per cent sales tax on wine will have a disastrous impact on this State. South Australia produces more than 60 per cent of the nation's wine. Consequently, any measure that affects the wine industry will be of great significance to South Australia. As I said earlier today, this is the second time that an attack on the wine industry has been introduced by the Federal Labor Government. The first time was last year when a tax was introduced on fortified wine. It was withdrawn after it proved to be a disaster, as everyone said it would be. It was a disaster in terms of our industry. We had people who had been producing port wine closing their facilities all over the State. The Federal Government does not seem to have learnt from that mistake.

What we have heard is that, instead of the fortified wine tax, which was withdrawn, with the sums raised now to be refunded—amounting to $500 000—this kindly Federal Government is now only going to take $49 million out of the industry next year. That is a pretty poor return. Perhaps South Australia would have been better off with the original tax, as it appears that the Federal Government is determined to have a tax.

Last night's decision is a disaster. It flies in the face of a clear and unequivocal promise by the Prime Minister and by his Minister. That promise was given prior to the last election, and it was absolutely clear cut. There was no equivocation and no desire by the Hawke Government to back off from it. Before the election the Labor Party went to many wine producing areas and said, 'We will not introduce a wine tax in the life of our Government.' I wonder just how often we have to listen to those sorts of promises and then see them broken on all sorts of bases. These people cannot be trusted, and that is very unfortunate. This is another measure in a long line of measures which show the total disregard of the Hawke Government for this State.

A wine tax is a discriminatory tax. It is a tax on small business. It is a tax that will cost thousands of jobs and, more particularly, jobs in this State. Quite frankly, the State Government's reponse to the imposition, in the face of the Federal Labor Party, in my opinion has been short of what is necessary. The Premier has pathetically claimed that it is all part of some sort of Treasury revenge for the lifting of last year's excise on fortifying spirit. That is a stupid claim. It shows that the Premier is at a loss to know what to do. Who on earth makes the decision on whether a tax measure should go ahead? It is not the Treasury staff—it's the Government. The Treasury staff can put forward whatever they like, but in the long run it is the Government that makes the decision. Mr Kerin and Mr Hawke made that decision knowing full well that they had promised not to introduce a tax. They said that before the last election. One could forgive them if they had made no statement at all, but they made a clear and unequivocal promise not to introduce a tax. Then the Premier tries to say that it is something to do with Treasury staff. That is not on. It is the Government that makes the decisions. In my opinion, to try and blame public servants shows either a total lack of understanding of the system, which I am sure the Premier has not got, or an attempt to blame people who can accept no blame.

The Hon. R.J. Ritson: Do you think they just forgot about the promise?

The Hon. M.B. CAMERON: I am sure they did not. The Premier, as Treasurer of this State, knows that the Treasury may make recommendations but it is the Government that makes the decisions. It was the Hawke Labor Government which decided to introduce this special tax on South Australia. Blaming some bizarre Treasury motive is absurd. Instead of talking about revenge, the Premier should be fighting the measure. The Premier must not give up, as he

appears to have done over the Alice Springs rail link—another promise of the Hawke Labor Government to this State and to the Northern Territory. The Honeymoon and Beverley uranium mines, the water filtration programme and the uranium enrichment plant for Port Pirie are all things that South Australia has lost as a result of decisions taken by the Hawke Labor Government.

When he was elected, Mr Bannon said that he wanted South Australia to win and that his Government would stand up to Canberra. Mr Bannon's policy speech contained words which have come back to haunt him time and time again, as follows:

We need to stand up and make South Australia's voice heard again in Canberra. We need a Government willing to take positive action to protect our jobs and our lifestyle and to develop new employment opportunities for our school leavers.

They are noble sentiments, but they are at odds with the State Government's actions and more particularly with the Hawke Government's actual performance. The Prime Minister, on 20 February 1983—a time that I am sure he remembers—at Griffith in New South Wales made an unqualified commitment to the wine industry when he said:

Labor is pledged not to introduce a sales or excise tax on wine.

He pledged not to introduce it. It was not just an ordinary promise—it was a pledge. I am sure that he did not have a Bible in his hand when he made that pledge, because even he could not go to that extent. He made a pledge to the people of Australia, a pledge that he has simply thrown overboard. That commitment is quite clear but, of course, it was made prior to an election. It seems that the honesty of the ALP can be heavily discounted when an election is involved. Mr Hawke is not alone in breaking promises.

The Hon. Diana Laidlaw: The State Government isn't much better.

The Hon. M.B. CAMERON: That is dead right. The Minister for Primary Industry (Mr John Kerin), the Minister under the Prime Minister, who was the shadow Minister at the time, undertook a visit of wine areas in South Australia during the election campaign. At a meeting at McLaren Vale, one of the areas now affected, Mr Kerin said, within days of the election campaign finishing:

Industry will welcome Labor's pledge not to contemplate a wine tax.

Industry will welcome it! They did! And how foolish and naive they were to accept that statement. If it is possible, that statement is even more definite than the Prime Minister's. A Labor Government would not only not impose a tax, it would not even contemplate it! In two years we have had two taxes: one was withdrawn because it was an absolute disaster, and the second has been introduced because the Government was not getting enough money out of it.

The move by the Premier to seek compensation for any lost jobs as a result of the new Labor measure is a step, but it is too meagre. Surely it would be better not to look for compensation; it would be better to not have the tax and to keep the jobs that are already there. Why worry about compensation when we could keep the existing jobs by not having the tax? Compensation for lost jobs would almost certainly be doomed to failure as it would be difficult to absolutely quantify the compensation. We should be asking for the lifting of the tax. I will have a little more to say about the motion in relation to that question later.

I will now put to rest what I consider to be a deceitful argument by the Treasurer that, because there is a tax on beer, it is justifiable that there should be a tax on wine. This simply does not follow, because the two industries are fundamentally different. It depends on the level from which one looks at it and whether one is looking at it from the point of view of those drinking the product or from the point of view of those producing the product. There are breweries in every State. Suppliers of barley have alternative outlets for their product. Barley growing is not labour intensive. There are only two brewers in South Australia. That should be compared with wine making and grape growing.

The wine industry is made up of a complex multitude of small businesses. Grape growing is a relatively labour intensive operation with many growers and much greater job creating potential than barley growing. It also has a huge capital commitment. Nationwide, the wine industry employs an estimated 200 000 people. It is a valuable industry with a widespread impact. It is a collection of small businesses, often family businesses, which have been given a savage blow by the Hawke Government. The tax will cause price rises, squeeze profits and cost jobs.

Studies by the Bureau of Agricultural Economics have shown that a 10 per cent rise in price will lead to an immediate 4.2 per cent drop in sales and, in the longer term, as drinking patterns change, to a massive 13.5 per cent drop in sales. Last year, when the State Government was so enthusiastic about stopping a sales tax on wine, the Premier said on 11 July:

The State Government has warned the Federal Government that a 20 per cent wine tax could reduce wine sales by $45 million per year in South Australia alone.

If those figures are correct, the amount of tax received by the Federal Government will not even cover, or will just cover, the amount of sales losses by South Australian industry. They are not my figures. That was a 20 per cent tax; I do not believe that a 10 per cent tax will have a lot of difference. They are not my figures but the figures of the State Government in a submission released by the Premier, Mr Bannon, in a lobbying campaign leading up to a Federal Budget. The sad thing is that we had that lobbying campaign last year. It is now clear that it was all a furphy. In fact, as far as I am concerned, the State Government knew that there would be no tax last year and it knew that there would be one this year; otherwise, we would have had the same lobbying.

The Hon. Diana Laidlaw: You say that they are being hypocritical?

The Hon. M.B. CAMERON: They are, because where was the lobbying this year? Where were the pamphlets brought out this year? Where were the press releases about a wine tax this year?

The Hon. R.I. Lucas: Nowhere.

The Hon. M.B. CAMERON: Nowhere. I never saw a word. I raised the question on the last day before the Budget because I wondered why there was silence. A discussion took place in another office the night before the Budget, and we all said that for sure there would be a wine tax because of the silence of the State Government on this issue. I do not know whether the Minister of Agriculture knew, but I am sure that somewhere in the Government someone knew that there would be a wine tax and they all lay down because they did not want to create a problem for the Federal Government; they did not want to exacerbate the problem for themselves. If that is not the case, I am a Dutchman.

No industry can afford a stunning blow such as has been delivered by the Federal Government. The impact will be even worse for the wine industry, which has already been subjected to extraordinary pressures and difficulties. In the Riverland times have been especially tough for grapegrowers, and for all people, as the Minister of Agriculture would know. In the past 12 months they have had to pay massive hikes in State charges and taxes without any increase in returns; in fact, in some case, lower returns. Indeed, irrigation charges rose last year by a record 28 per cent—not the rate of inflation, but 28 per cent. Electricity charges rose by 24

per cent. What was the rate of inflation last year—9 per cent or 10 per cent?

The Hon. R.I. Lucas: Less than that.

The Hon. M.B. CAMERON: Less than that. That is a fair indication of the attitude of the State Government to this industry, and now we have a further Government impost on the sales outlets—on the very life blood of this industry. Many producers in the Riverland receive less for their grapes than it costs to produce them, and the rate of return on capital invested by grape growers is very poor. If the Bureau of Agricultural Economics estimates hold true, a 13.5 per cent drop in wine sales will flow through to a drop in demand for grapes. The surplus of grapes will grow. Grapegrowers' returns will fall and many employers will put off employees or go broke.

With a product like barley, one can sell it somewhere else; with grapes, if no-one wants them because they are not producing wine, they hang on the vines and they fall to the ground. There is no other answer for it. There is no other use for them. That is the situation that we could well see next year in this coming harvest. The wine industry is a regionalised activity. As a result, the impact of a wine tax on some parts of our State will be even more devastating. The Riverland, the Clare Valley, and the South-East all rely heavily on a healthy vibrant wine industry. A 10 per cent tax will have a most damaging effect in these areas. My gravest concern is that South Australia has been singled out, according to the media. Mr Hawke appears to contemptuously see South Australia as expendable. That is sad, because I would have thought that Governments govern for the whole of the country, but it appears that we are being singled out because every person in Government knows that we produce the majority of wine in Australia.

In his glowing self-praise, the Treasurer described Australia as a sea of prosperity: prosperity, it seems, for all but South Australia. During the recent affair about Mr Young we heard the Centre Left and the editorialists arguing about the need to keep Mick Young in the Ministry so that South Australia had a voice in the Cabinet. After this performance I do not think that Mick Young is of much use to us.

An honourable member interjecting:

The Hon. M.B. CAMERON: No, I think that he should go back to importing Paddington bears. At the Premiers' Conference and the Loan Council meetings South Australia received the largest cuts and the lowest increases in Commonwealth assistance. As late as last year Mr Hawke promised a new wine tax study. It has now taken 12 months before that wine study has been agreed to and brought about, and in that time the Prime Minister has withdrawn one tax and has introduced a new tax that will cause enormous problems to South Australia. Why has he introduced the study? Because he wants to dissipate the political problem that he has caused for himself. If he had a really genuine attitude towards the industry he would have had that study before he introduced the tax—not afterwards. It is a waste of time afterwards; they already have the tax. What are they going to do? Will they say that the tax is useless and not needed and therefore recommend that the Government withdraw it? We are not so simple as to believe that that will happen.

The Government's motion needs to be amended. The facts are these, and these are the things that people have to keep in mind in voting on this issue:

1. The tax breaks a clear, unequivocal commitment by the Federal Government. Nobody can deny that.

2. The tax will spell further disaster for the South Australian wine industry, which will exacerbate the problem that the Federal Government has already created.

3. We need to take a tough, determined stand, not some wishy washy, half hearted, subservient approach to the Federal Government.

I can understand the Minister's not wanting to get too hard because he, Mr Hawke and Mr Kerin are all members of the Labor Party; they are all Labor Governments. We were supposed to get great advantages from having a Labor Government here and in Federal politics. What have we got?

An honourable member: Mick Young.

The Hon. M.B. CAMERON: Mick Young and two wine taxes in two years. Goodness knows what will happen next year! We will probably have a 20 per cent tax on wine because they did not get enough to cover the rest of the country. The tax should be lifted: nowhere in the motion does the Government call for the tax to be lifted. Why? I think that some sort of agreement was made with somebody because there is nothing in there to say that it should be lifted. The Federal Labor Government needs to be told what the people of South Australia, through their elected representatives, think of the wine tax. There is no use talking about its being phased in. That is nonsense and breaks away from the promise that we had: there will be no wine tax.

In saying that, the Minister is going down the track of agreeing to the broken promise, and I can understand his doing that, because he and his Government are used to doing it themselves because they have done a bit of that in this State. The best assistance that can be given to South Australia and this industry is for the Federal Government to keep its sticky, money grabbing fingers out of our State and industry, because it has certainly made a mess of it so far.

It is essential that we put forward a motion that has a clear, unequivocal message to the Federal Government. I move the following amendment to the motion moved by the Minister of Agriculture:

1. Leave out all words after 'That the general sales tax on wine imposed in the Federal Budget', in paragraph 1.
2. Insert the following in lieu thereof:

unfairly discriminates against South Australia;

2. That the tax will have a disastrous effect on the growth of a key South Australian industry and will cause widespread disruption and loss of income and jobs;

3. That the Federal Hawke Labor Government should be condemned for breaking a clear commitment made on 20 February 1983 not to introduce such a tax;

4. That the tax should be withdrawn; and

5. That the Attorney-General should communicate the contents of this motion forthwith to the Premier and the Prime Minister.

The Hon. K.L. MILNE: I agree entirely with what the Minister (Hon. Frank Blevins) has said. In his own words, we ought to be more severe than the resolution that he has proposed. The speech by the Hon. Mr Cameron was very persuasive; it is one of the best that I have heard from him, and he has illustrated and described the situation to the satisfaction of everybody in this Council.

This problem will hit growers even more in the Riverland. However, growers elsewhere will suffer also. It is the grower who gets hurt in circumstances such as these. I repeat what I said earlier today, that as far as I know no other wine producing country taxes its own wines except, possibly, France, which has a nominal tax of about 1c a litre on wine. There must be a reason for this, a reason that the Federal Government has ignored. I ask the State Government to request that the Federal Government find out what that reason is, because I think it is quite foolish for us to be the odd ones out in relation to this matter.

At best, this tax is far too high. At most, it should be 2½ per cent, probably starting at less than that. The Federal

Government knows only too well that the competition between local wines and imported wines is in the balance here, as we found when the tax was placed on alcohol used for fortified wines. The Federal Government is well aware of what happened in that instance—imported wines increased in volume very rapidly, especially port and brandy. That trend will take some time to reverse. This internal tax on Australian wines will have the same sort of effect, only on a much wider base.

We sometimes forget that wine is already taxed through the licence fee system in South Australia. Outlets selling liquor must have a liquor licence. There is a tax of 12 per cent on all liquor sold by those outlets, which includes wines. It is not actually a licence fee, but is a sales tax, which is probably illegal and which is based on the volume of liquor sold by such outlets including wine. Even if the tax remains I believe that there should be a maximum tax on premium or bottle wines of 50c at the retail level. That is to say, when a consumer buys a bottle of wine in a restaurant, hotel or wherever, the amount of this new tax included in the price should not exceed 50c.

The Hon. R.J. Ritson: You are supporting a partial wine tax, are you?

The Hon. K.L. MILNE: I am not sure; am I? What I am supporting is that we prevent damage to our bottled wine trade, which is a very big tourist attraction. If we did damage that trade there would be less incentive for those producing the wines of excellence for which South Australia is renowned. A tax such as this has less effect on the cask and flagon trade, which is the bulk trade. However, in protecting this bulk trade we must not do damage to the more expensive bottled wine for which this State is renowned.

Wine is already discriminated against by the Victorian State Government. A licence to sell wine in Victoria is 15 per cent plus 5c a litre. The licence fee for all other liquor is 11 per cent flat. I trust that no Government in South Australia will ever impose such a fee here. As has been mentioned before, a tax on the volume of wine was introduced early in the 1970s by the Liberal Government. The effect was immediate and detrimental and the tax was removed very quickly by the Whitlam Government. That was a different kind of tax, but it did teach us a lesson. I want to join with those who feel that this is a most unfair tax on South Australia.

We are the smallest mainland State in numbers but produce about 60 per cent, and probably more, of Australia's wine. We have the greatest percentage of people involved in the wine industry per head of population of any mainland State except possibly Tasmania, which will suffer, of course, because this tax is also imposed on alcoholic cider. Apparently, the Federal Government does not think that Tasmania matters much, either. I think that this tax is totally unfair, it is bullying and involves cowardly tactics. The Federal Government has treated South Australia with contempt. As far as Canberra is concerned, South Australia could just as well be a foreign country in spite of there being a Labor Government here, which the Federal Government should try to help.

The Federal Government knows that we have little electoral power and is prepared to be discourteous to its own colleagues. I think that that is disgraceful. It is disgraceful that the Government has knowingly avoided and, in fact, broken an election promise. In the new Federal Parliament South Australia will only have 13 out of 148 seats in the House of Representatives, probably eight Labor and five Liberal. No wonder the Federal Government is taking no notice of South Australia. I support the amendment because I believe that Mr Hawke should be made to take his full share of responsibility in this matter. I cannot, for the life of me, understand why the Federal Government has persevered with this broken promise. From the look of the Budget it does not need the $60 million a year that will come from this tax and it could have easily reduced expenses instead of imposing this tax, which is what it should have done.

The Hon. R.C. DeGaris: What, by $7 000 million?

The Hon. K.L. MILNE: I agree with the Hon. Mr Cameron that it is better to get rid of the tax rather than seek compensation but, as an alternative or a fall-back position, we must insist on one or the other, that either the tax be withdrawn or the Federal Government pays. I move:

1. After paragraph 4, leave out the word 'and'.
2. After paragraph 5, insert the following:

'and

6. That if the Federal Government will not withdraw the new tax, it undertakes to compensate South Australia by the amount $30 million for the period to 30 June 1985, and by $40 million for four years after that, in the same manner as it did for the State of Tasmania to compensate for the loss of the Franklin Dam project, so that the wine industry can readjust to the new circumstances.

The Hon. PETER DUNN secured the adjournment of the debate.

PUBLIC SECTOR SUPERANNUATION

Adjourned debate on motion of Hon. L.H. Davis (resumed on motion).

(Continued from page 437.)

The Hon. L.H. DAVIS: Before the adjournment I was referring to the typical mix in a private sector superannuation scheme. I made the point that 30 per cent of funds would normally be invested in Government securities, 25 per cent in equity shares, 25 per cent in property, 10 per cent in natural resources, and 10 per cent in cash and short-term deposits. Obviously, this mix will vary from time to time. A second reservation is the investments of the South Australian Superannuation Fund itself.

I am not convinced that it is sound investment practice to commit approximately 20 per cent of assets to just one investment, namely, the redevelopment at the Adelaide Railway Station.

The Police Pensions Fund as at 30 June 1983 had net assets of $29.34 million. Fewer than 30 per cent of these assets were invested in securities which could be regarded as capital growth securities—convertible notes, land and buildings, and equity shares. As at 30 June 1982, $4.9 million or just 20 per cent of total net assets of $24.6 million, was invested in capital growth investments.

Contributors to the Police Pensions Fund are entitled to feel cheated, in the all but certain knowledge that a professional private sector superannuation manager would have ensured that the fund would be millions of dollars better off. This leads to my fifth point. I am reliably informed that contribution rates to the Police Pensions Fund may have to increase by as much as 2½ per cent of salary to maintain existing benefits. That is nearly $10 a week more for a policeman on $20 000 per annum.

This rumoured increase follows hard on the heels of the Acting Public Actuary's recommendation that contribution rates for members of the South Australian Superannuation Fund should rise by up to 1½ per cent. The Government, as yet, has not responded to that recommendation. To be blunt, the Acting Public Actuary ignores inferior investment performance when listing the reasons why contribution rates in the public sector have to be increased.

Contribution rates are rising in the public sector, notwithstanding a remarkably buoyant investment climate in recent years. In fact, investment conditions have been so good that a significant number of private sector funds have

actually reduced contribution rates from employees (generally about 5 per cent to 6 per cent) by ½ per cent to 1 per cent! Public servants and policemen can rightly feel cheated that they must carry the can for inadequate investment performance.

This disgraceful state of affairs demands an answer. The Attorney, in a letter dated 15 December 1983 answering a question I asked on superannuation, advised that the Government would review public sector superannuation following receipt of the Public Actuary's Report.

My sixth area of concern is that, not only are the public servants and policemen entitled to feel miffed about the inferior investment performance of their funds over the past decade, but the taxpayer also must have a genuine concern about the fact that they are being asked to share in that burden.

Furthermore, I have on previous occasions compared the cost of public and private sector superannuation schemes. Public sector superannuation schemes are unfunded and open-ended, unlike their counterparts in the private sector. Whereas a typical private sector scheme will cost between 12 per cent to 16 per cent of salary, with the employee generally contributing 5 per cent to 6 per cent of this amount, the South Australian Superannuation Scheme will cost the employees between 6 per cent and 7½ per cent and the Government at least three times that amount, at a guess in excess of 20 per cent, for a total cost of at least 26 per cent. In other words, public sector schemes are about twice as expensive as are private sector schemes.

The fact that public servants receive fully indexed pensions means that over a period of time retired public servants will pull ahead of private sector retirees. I do not believe these two quite different systems are conducive to promoting employment transfers between the public and private sector. The following table underlines this point. I seek leave to have inserted in *Hansard* a table of a purely statistical nature relating to public and private sector superannuation.

Leave granted.

SUPERANNUATION

Public Sector *v* Private Sector

Assumptions:
Final salary $17 000
Retires at 65 at 1.7.76
Dies at 80 at 1.7.91

	State public servant *Annual pension as at 1 July	Private sector employee Lump sum $89 250 invested at 10 per cent	14 per cent
	$	$	$
1976	12 460	8 925	12 495
1977	13 927	8 925	12 495
1978	15 990	8 925	12 495
1979	17 207	8 925	12 495
1980	18 618	8 925	12 495
1981	20 660	8 925	12 495
1982	22 481	8 925	12 495
1983	24 801	8 925	12 495
1984	26 289	8 925	12 495
1985	28 392	8 925	12 495
1986	30 663	8 925	12 495
1987	33 116	8 925	12 495
1988	35 765	8 925	12 495
1989	38 626	8 925	12 495
1990	41 716	8 925	12 495

* Pension is adjusted for annual cost of living movements. Estimate of cost of living in 1984 is 6 per cent and thereafter 8 per cent per annum.

The Hon. L.H. DAVIS: The cost of public sector superannuation is a legitimate public concern. At present the State Government pays 72 per cent of the basic pension and 93½ per cent of pension supplementation in the South Australian Superannuation Scheme. The Acting Public Actuary in his trienniel review proposes that the State Government should, in future, contribute 82.5 per cent of total payouts. Even after allowing for increased contributions of ½ per cent to 1½ per cent on my calculations, that would mean the Government is paying at least an extra $1 million annually.

Certainly, the comments contained in the 'Long Term Projections of the Cost of the South Australian Superannuation Fund', prepared by the Public Actuary, Mr Ian Weiss, just three years ago, sit uneasily alongside the report recently received by the Government. Mr Weiss stated, 'The projections clearly demonstrate that the... concern is unfounded... that the unknown ultimate cost of the scheme to the Government might prove an unmanageable burden.' Why then in 1984 do we have a proposal to increase contribution rates from fund members?

In that same report Mr Weiss quite remarkably observed, 'If employees in the private sector want higher superannuation benefits, it is up to them to negotiate an appropriate redesign of their total salary package with their employers.'

I would have thought that the commendable common sense shown by local government in providing for a superannuation scheme typically found in the private sector, and the recent consolidation of superannuation funds of Australian universities and CAEs with a maximum 14 per cent contribution from employers, should be the example followed by the Public Actuary.

As previously mentioned, private sector superannuation schemes are invariably fully funded, and in about 90 per cent of cases provide for a lump sum benefit on retirement, whereas public sector schemes operate on a 'pay as you go' unfunded basis with the vast majority offering a fully indexed pension, with full or partial rights to commute that pension.

Quite clearly, a lump sum amount is attractive for it permits greater financial flexibility, income splitting to minimise taxation (double dipping), and in some cases the rearrangement of finances to become eligible for the age pension (triple dipping). However, in South Australia a State public servant on retirement must receive a pension, although up to 30 per cent of the pension can be commuted and taken as a lump sum. Therefore, there is not the same opportunity to minimise taxation.

However, the public sector retirement pension is fully indexed for movements in the cost of living, and after several years in retirement the benefit of this indexation is obvious, as the earlier table indicates.

The Federal Government's decision to tax lump sum benefits and reintroduce the assets test for pensions is quite clearly an attempt to phase out the lump sum payment over a period of time. Retirement benefits accruing after 30 June 1983 will attract a rate of tax of 15 per cent on the first $50 000 (excluding employee contributions) and 30 per cent on amounts exceeding $50 000. The 5 per cent tax on lump sum benefits accruing before 30 June 1983 will remain. The new tax can be avoided altogether if the lump sum is converted to an annuity or pension within 90 days or transferred to another employer or approved deposit fund.

What is not generally recognised is that there is a much more effective weapon than the new tax on lump sum benefits that will force private sector employees towards a pension benefit on retirement. Section 23f of the Income Tax Assessment Act establishes the maximum lump sum retirement benefits that can be paid for various levels of salary. In 1965, when section 23f first applied, an employee could earn at least 10 times the average salary and be entitled to a lump sum retirement benefit equal to five times the final salary. But, by 1984, 3½ times average salary

is the maximum for a lump sum benefit of five times retiring salary. If the current scale remains unaltered, the end of the decade could see the cut off point for five times retiring salary being little more than the average salary itself.

I predict that within two decades lump sum payments will be the exception rather than the rule in the private sector. Although actuarially pensions are more expensive to fund than lump sums, they have the virtue of meeting the purpose for which retirement benefits are intended, namely, income security on retirement, disability or death. Therefore, it is becoming increasingly relevant to compare the respective benefits of public and private sector schemes.

I believe that the foregoing reasons more than demonstrate the need for an inquiry into public sector superannuation schemes. The Commonwealth Superannuation Scheme has been severely criticised, both in its administration and performance. A report on the scheme prepared by consulting actuaries, E.S. Knight & Co., made particular note of the generous provisions of the scheme.

In April 1984 a review of superannuation in the Victorian public sector by the Economic and Budget Review Committee of the Victorian Parliament was tabled. It is worth noting that Victoria's main public superannuation scheme is very similar to the South Australian Superannuation Scheme. The structure of the fund's administration, the investment performance and cost of the scheme was strongly criticised.

In moving for a long and overdue inquiry into public sector superannuation schemes, I do so in the knowledge that 2.6 per cent of total State Government spending is directed to funding such schemes. The terms of reference are understandably wide. They are, in fact, based on the terms of reference for the inquiry established by the Victorian Labor Government in December 1982.

Various suggestions have been made as to how to handle this matter. Last year I called for an inquiry, as did the Leader of the Liberal Party (Mr Olsen). The Leader of the Australian Democrats called for a Royal Commission, and that is not altogether dissimilar in its objective, although I believe a public inquiry is the more appropriate approach.

More recently the Leader of the Democrats, the Hon. Mr Milne, has suggested that the present South Australian Superannuation Scheme should be closed down. Clearly, this subject is a complex matter that demands a broad-based inquiry, as has been undertaken recently in Victoria. The people of South Australia and policemen, public servants and others, who are members of the sector schemes, are entitled to a wide ranging public inquiry, conducted without fear or favour. I would anticipate that the inquiry would retain an independent consulting actuary and take evidence from experts in the private sector and administrators of the fund. The subject is quite clearly a matter of public interest and importance. It is a nettle which must be grasped.

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

[*Sitting suspended from 6.2 to 7.45 p.m.*]

WINE TAX

Adjourned debate on motion of Hon. Frank Blevins (resumed on motion).

(Continued from page 441).

The Hon. PETER DUNN: This is one of the few motions to come before the Council on which everyone agrees, or at least agrees in some part. I believe that that is unique. In fact, it gives us very good clout to approach the Federal Government and say that we think it is treating us unjustly. I support the Hon. Mr Cameron's amendment which states, in part, that this tax unfairly discriminates against South Australians. I believe that to be so, because of the mere fact that we produce over 60 per cent of Australia's wines.

There has been a little muddying of the waters, because I believe that the wineries themselves will not suffer a great deal, particularly the large wineries that produce bulk wine. I believe that the tax on their product will not be as significant as it will be on those wineries that produce only bottled wines. In saying that I am cognisant of the fact that there has been a large increase in the number of small wineries in this State producing bottled wine. There has been a rise over the past 10 or 15 years in the order of between 30 and in excess of 100 small wineries which will find it difficult to pass on the increased tax burden. It must stop somewhere, and I believe it will be passed on to wine-grape producers. It will not only damage the wineries but also the wine-grape growers, and it will damage their families.

The Hon. M.B. Cameron interjecting:

The Hon. PETER DUNN: The Leader suggests that the growers will get less. Earlier today I asked the Minister that question. I hope that he can indicate how much the growers receive, because that could be set against the tax to demonstrate one way or the other whether they are being disadvantaged. The tax will also single out the South Australian grape growing resource. This State has some of the better conditions for growing grapes. For the Federal Government to single out South Australia in this way is quite unjust indeed.

The Hon. M.B. Cameron interjecting:

The Hon. PETER DUNN: That has been said a number of times during this debate, and I can only concur. It is a broken promise.

Members interjecting:

The PRESIDENT: Order!

The Hon. PETER DUNN: We know that these promises have been broken before, and that does nothing. I suppose one of these days we will be able to register those broken promises at the ballot-box. I hope that people remember that when we have an election, and the Prime Minister has indicated that there will be one in the very near future. This morning's paper indicated that this tax on the wine industry is the pay-off for reinstating Mr Young into Federal Cabinet. Perhaps that is so. Perhaps that is the cost. It is in the paper; surely the Minister read this morning's paper.

The Hon. R.I. Lucas interjecting:

The Hon. PETER DUNN: I am not sure whether I would go that far. I know it is highly likely, because South Australia has such a small population and because our representation in the Federal Government is so low that if we lost one or two seats it would not influence the Eastern States at all. I suggest that if New South Wales or Victoria produced 60 per cent of Australia's wine this tax, if it had been put on at all, would have started at about 2.5 per cent and perhaps increased in the future. However, that has not happened; it is a flat 10 per cent. I believe that grape growers in this State will find it difficult to overcome that impost.

Wine making and grape growing have a high manpower requirement. I believe that, if the Government continues to tax this resource, which requires so much manpower, it will create more unemployment. I will deal with that in a moment, because it involves a number of factors which are intertwined. Many people consider wine to be a medicine and many others consider it to be a food. In fact, the wine industry itself recognises that because it labels some of its product 'Hospital Brandy'. The Government is now taxing what some people regard as a medicine or a food.

The Hon. R.I. Lucas interjecting:

The Hon. PETER DUNN: As my colleague says, we may be able to claim it on medical benefits, but I doubt it. I

refer particularly to the Murray Valley. It is a fine grape growing area, particularly for its quantity even if its quality is considered to be not quite up to scratch. We need that quantity to blend with the fine wines grown in other parts of this State. Because of the heavy yields in the Murray Valley as a result of irrigation, many people are involved. These people have very different ethnic backgrounds, including Greeks, Italians, Englishmen, and traditional Australians. There is a whole range of people from various ethnic backgrounds growing grapes in this area. Someone said that grape growers cannot get their act together, to use the vernacular, to put a strong case together to resist this tax. With people of so many diverse ethnic backgrounds it is very difficult to get them together to form a common argument to put to the Federal Government in an attempt to resist this impost.

There are many small private holdings, particularly in the Murray Valley area. They will be heavily hit as a result of this impost. The situation in the South-East is slightly different where there are a number of private growers and large companies. Areas such as the Barossa, the Clare Valley and the Southern Vales have a number of small wine growers, and the small wineries in those areas will be hard hit. I think that those areas will not be quite as buoyant as they are now and they will not contribute as much to the coffers in taxation in the next couple of years because of their decreased production and profit.

This tax of $60 million in a full year is very significant and, if South Australia alone has to provide in the order of $40 million of that, the Federal Government is doing this State a grave injustice, and I would object and ask that this State Government go to the Federal Government and ask that it give us some relief. It is with pleasure that I support the Hon. Martin Cameron's amendment.

The Hon. R.I. LUCAS: We are being asked to support a very curious motion this evening from a very curious Minister. The Minister, in moving this motion, has moved it in four parts. In the first two parts the Minister asks us to support a statement that the Council believes two things, and I will not go through them again. Then he goes on to call on the Federal Government to ensure two further things. Without considering yet the detail of what the Minister wants us to call on his Federal colleagues to do, the one important thing that the Minister does not want us to do is ask for the tax to be withdrawn. The Minister is asking us to support a motion calling on his Federal colleagues to do things, but he is not asking them to withdraw this tax that was introduced last evening.

That is obviously one of the key reasons why the Minister's motion is deficient and why members in this Chamber must support the amendments that have been moved by the Hon. Mr Cameron. What on earth is the use of the platitudes that the Minister of Agriculture and his Leader the Premier (Mr Bannon) have put in the press today about how disappointed and distressed they are about the whole situation if, in the motions that the Minister and the Premier are moving in the Chambers of the South Australian Parliament, they do not even call for the removal of the tax? In effect, what they do in their motions is twofold: first, they accept that the tax will stay there and, in a wishy-washy way, they ask that the inquiry that has been announced will look at the short and long-term implications of the new sales tax for the wine industry. What on earth is the use of calling on the Federal Government to do that?

Clearly, the terms of reference of the inquiry probably would have covered that anyway but, even if we do get the results as to what the short and long-term implications of the new sales tax for the wine industry will be, what on earth is this Minister of Agriculture calling on us to do? There is no mention at any stage in the short or long term of calling on his Federal Labor colleagues to withdraw the new sales tax.

In the introductory part to the motion that the Minister wants us to support tonight, the Minister has argued that this Council believes that the tax will disadvantage regional economies within the State and particularly hinder the redevelopment and reconstruction programme that the South Australian Government has initiated in the Riverland. To the uninitiated that sounds terrific; it obviously sounds as if the South Australian Government is already pouring considerable money and effort into a redevelopment and reconstruction programme in the Riverland. Quite simply, the practical reality is that that is not the case. In the Minister's own words here today all, in effect, that the Government has done is appoint a council or a committee, and it is looking to appoint some people to run it. That is all that the South Australian Government and the Minister of Agriculture has done with respect to redevelopment and reconstruction.

Earlier, in Question Time today, the Minister was asked what the Government's programmes were for the long-term assistance of the growers in the Riverland, and the best that he could say was that he had this council or committee and that the Government was looking to appoint people to it and to do the work for the council or committee. The Minister was given plenty of opportunity to come up with some definitive and specific programmes as to what the South Australian Labor Government is doing to assist growers in the beleaguered Riverland area of South Australia. He was not able to come forward with anything other than, 'I am appointing a council or committee and we are looking to appoint some people.'

I hope that the Minister, in his reply to the debate, will take the opportunity to outline to the Council what specific long-term policies and programmes the South Australian Government has to assist the growers and others affected in the Riverland in the event that the sales tax introduced last night remains, as is likely.

The Hon. Mr Cameron has moved a substantial amendment to the motion of the Minister. As I have indicated, I will support the amendment of the Hon. Mr Cameron, primarily because at least he calls on the Government to withdraw the tax. He also is prepared not to be wishy washy, as the Blevins motion is, and to point out quite clearly that this action of the Federal Labor Government is a clear breaking of a promise that was made on a number of occasions and, in particular, as the Hon. Mr Cameron points out, on 20 February 1983.

The Hon. Mr Milne has moved an amendment to the amendment moved by the Hon. Mr Cameron. I must confess that I have some personal questions or doubts about the form of the amendment that has been moved by the Hon. Mr Milne. His amendment is curious, too. I support the principle of it; that is, that if South Australia will be disadvantaged specifically as compared with all other States of the Commonwealth by the introduction of this sales tax and if the Federal Government will not remove the sales tax there is a good argument for the State Government to put to the Commonwealth Government that we at least ought to be compensated in some way for the regional dislocation that we will suffer, particularly in the Riverland and in some of our other grape growing areas.

However, the problem that I have with the Hon. Mr Milne's amendment is that whilst, as I said, I support the principle, he gets extraordinarily specific in his amendment and starts off with a shopping list of how much he would ask of the Commonwealth Government. He asks for $30 million in the current financial year and he says, 'and by $40 million for four years after that'. I take it that the Hon.

Mr Milne is saying $40 million a year, although it is not clear from the wording that it appears in saying 'and by $40 million for four years after that' that it is a little ambiguous as to whether he is talking about $40 million for each of the four years—a total of $160 million—or $40 million for the four-year period after that. I imagine that the Hon. Mr Milne's shopping list is, in effect, $30 million for this year and then four lots of $40 million in the next four years, coming to a total of about $190 million in current terms.

The Hon. K.L. Milne interjecting:

The Hon. R.I. LUCAS: The Hon. Mr Milne explains how he came about that calculation. I accept that that is how he reached his figure. I think that we are being a little too specific in the resolution and that the principle is, in effect, what we are after. I will not move amendments but support the Hon. Mr Milne's amendment to the Hon. Mr Cameron's amendment. I do not do this with any hope that we will get $200 million from the Commonwealth Government.

The Hon. K.L. Milne: We can hope.

The Hon. R.I. LUCAS: We can hope, but not in any expectation that we will get that sort of compensation from the Commonwealth Government. Nevertheless, I support the Hon. Mr Milne's principle that there ought to be compensation paid for the regional dislocation that we will undoubtedly suffer because of this tax. I believe, also, that the amendments, if we had a little more time, could be made a little more specific along the lines of the question that I put to the Hon. Mr Blevins this afternoon—that I believe that if this reconstruction council is established in the Riverland it ought to be a body that is involved in some way in deciding the amounts of compensation that are to be paid. I would not like to see the amount of money allocated in a general purpose way to the State Government by way of general revenue grant without a specific commitment from the State Labor Government that the money will be used to offset the regional dislocation that the economies of the Riverland and other grapegrowing areas will suffer.

The way in which the amendment is drafted by the Hon. Mr Milne indicates that any allocation would only be a general purpose grant, or could well be a general purpose grant from the Commonwealth Government to the State Government with the decision as to expenditure of that compensation being made by the State Minister and the Government. That is why I asked the State Minister today whether or not he would give his personal commitment to supporting a policy of spending that compensation in the way that I have suggested. I realise that the Government, at this stage, does not have a policy (as of lunchtime the Minister was unable to give me that personal commitment, and I accept that he would like to think about this matter).

I hope that in his contribution this evening, or at a later stage, the Minister will give a commitment that he will support and argue for such compensation to be used specifically to offset problems caused by the new tax in the grapegrowing areas of South Australia. With those few words I indicate that I support the amendment moved by the Hon. Mr Cameron and the amendment to that amendment moved by the Hon. Mr Milne.

The Hon. C.M. HILL: I cannot remain silent when an important issue such as this is before this Council. I am not that concerned about the wording of the details of the amendment, or the motion and the various conditions in it. I think that all members of the Council should join together in condemning the Hawke Government for introducing this tax. That is the gist of the whole matter. For the Government, in what is now history, to have applied an excise on fortified wines, to admit its blunder later and withdraw that tax, and to then come again in round two and impose this king hit upon the South Australian community is something that is certainly worthy of strong condemnation indeed.

The Hon. Peter Dunn: It sounds like the boxing conditions at the Los Angeles Games.

The Hon. C.M. HILL: That is right. I hope in this particular example there will be a fair judgment in the longer term and that a Federal Labor Government will suffer as a result of applying this kind of treatment to the people here in South Australia. From various estimates I have heard today it seems that about $20 million will be lost to this State as a result of this 10 per cent tax on wine. It is, of course, a broken promise; there is no doubt about that. A clear commitment was given earlier this year, in February, that such a tax would not be introduced. However, it seems that no matter where Labor Governments reign in Australia the question of broken promises does not worry or affect them very much. However, in the longer term, people will remember that when Parties make promises they are meant to be honoured.

This is an example, I think, in our Federal system, of great harm being done to a small State. It was well known to Mr Hawke that we produce this great proportion of Australian wine. I do not think that in a federation the nation can afford to have such blows delivered to small States. Indeed, the opposite situation should apply: small States should be encouraged by Federal Governments in whatever way they can be encouraged, because there is a need for Australia to grow in a balanced way. If one knocks one's small States, one will see the strong States growing stronger and there will be an imbalance throughout the nation which is not in the best interests of Australia.

When one realises that politically the Federal Government has estimated that there will not be great losses of votes because there are not many electorates in which these growers cast their votes, then one sees the situation get even worse. I hope that the Government of South Australia will do whatever it can to help these people who are adversely affected by this tax. As I think one member has already stated, they are the little people within the general producer sector. In such places as the Riverland they have been battling all their lives to make a go of things. When a blow like this is delivered to them, it can be a complete knockout to them in the longer term.

Many of these people are from migrant communities and are carrying on skills as grapegrowers which were handed down from generation to generation in Europe. They have come to a new land and they encounter actions like this—not from their local State Government with which they have some close association, but from the nation's Federal Government. When that happens, it is very hard to take. Apparently this is being done by the Commonwealth Government with a view to receiving $49 million in extra tax. When one considers the figures heard last night in the Federal Treasurer's Budget speech, one realises that $49 million is a very small amount of money, indeed.

I think that if the Federal Government does not take action to assist in this matter South Australia ought to cut the painter from the Hawke Labor Government and look to ourselves. I hope that the Government will maintain its opposition towards Canberra that its members have been expressing through the media and within this Parliament today, because it is an action that is worthy of condemnation by all political Parties in this Council. If a resounding voice of strong opposition from South Australia is heard in Canberra, the Federal Government will be careful about future decisions it might take that could affect us in other ways. After the motion passes, the ball will be in the State Government's court. We want to see it really taking the battle

to Canberra regarding this issue and pursuing that battle while not becoming too friendly with the people there after a period of time elapses but keeping up this strong opposition so that this matter is not forgotten.

Lastly, I repeat that, if Hawke does not back down in any shape or form, or bring some form of compensation to the South Australians affected by this tax, then there is no alternative but for the State Government to do something to help these people. I will be watching with interest to see what that action will be if that unfortunate situation occurs and if the Federal Government takes no notice whatever of this motion.

The Hon. R.C. DeGARIS: I do not want to say very much about this matter. I support the motion moved by the Hon. Frank Blevins. I have some objection to the amendments moved by the Hon. Mr Cameron and the Hon. Mr Milne. I will be very brief in the explanation of my objection. I do not find anything wrong with the intention of the amendments from either member but I object to the words 'Federal Hawke Labor Government'. From the point of view of this Council, it is the first time that I can remember in a motion like this that another Government is classified as being 'Hawke Labor' or 'Smith Liberal' or any other type of explanation. It is the Federal Government: it is not the Federal Hawke Labor Government.

I suggest that the words 'Hawke Labor' should be entirely removed from the amendment. It is objectionable from the point of view of this Council to include those words. Secondly, regarding the Hon. Mr Milne's amendment, which I agree with, I think it is quite wrong that this Council should state certain sums of money such as $30 million or $40 million over a period of time. I am happy to support the view that the Federal Government should undertake to compensate South Australia for the damage it has done with this wine tax, but to actually state a sum of money for compensation is going beyond what this Council should do.

I have those two objections to the amendments. It is necessary, if we are to make any real impact with this motion, that it is unanimous from this Council. I will listen very carefully to the reply of the Hon. Frank Blevins about whether or not he is prepared to accept any amendment to the motion or whether some changes can be made that would make the motion unanimous.

The Hon. FRANK BLEVINS (Minister of Agriculture): I thank all members who have contributed to the debate. It was an interesting debate and I will comment on some of the points made by honourable members. The Hon. Mr Cameron asserted that the Government knew that this tax was to be imposed and that somehow or other there was a deal. I am not quite sure what it was a deal for, but the Hon. Mr Cameron implied that the South Australian Government had done a deal with the Federal Government and that it knew all about the tax and condoned it. That is utter rubbish. It was as much a surprise to every member of this Government at 7.55 last night when it was announced as it was to the Opposition.

The Hon. Mr Cameron gave us one of his more bizarre conspiracy therories that really, if the matter was not so serious, would be quite humorous. The Hon. Mr Cameron also mentioned broken promises. I do not want to go too far down that road, because if I do I can produce—

The Hon. M.B. Cameron: You would be very embarrassed.

The Hon. FRANK BLEVINS: Maybe, but I can also embarrass members opposite.

The Hon. M.B. Cameron interjecting:

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: I remember Mr Fraser saying, 'We will maintain Medibank, there will be—

The Hon. R.I. Lucas: What's this got to do with the wine tax?

The Hon. FRANK BLEVINS: It has to do with promises. Promises were made by Mr Fraser such as, 'There will be no more jobs for the boys. We don't need a tourist for a Prime Minister.' Actually, Mr Fraser dismantled Medibank; there were more jobs for the boys under that Administration than in the history of any other Government. I think that the record of his overseas trips eclipsed very early even Mr Whitlam's quite imposing record in that area.

The Hon. R.C. DeGaris interjecting:

The Hon. FRANK BLEVINS: I will come to that in a moment. Anyway, isn't the Hon. Mr Cameron being selective? As I understand it, there is a very strong feeling in some sections of the community that the Federal Government broke promises regarding uranium mining. I assume that the only complaint of the Hon. Mr Cameron and members on his side of the Chamber is that those promises were not broken far enough. So, we are really being selective and it does not get us very far.

I think that the Hon. Mr Dunn, if he had had more time, would like to have expanded further on his view that there was a certain muddying of the waters regarding the self-interest of some large wineries *versus* some small wineries and co-ops. I agree with the Hon. Mr Dunn. In answer to a question during Question Time I stated that the wine industry by no means speaks with one voice. The interests of some will be affected much less than the interests of others with this wine tax. It makes it very difficult for the industry to present a united voice.

I remember when the quite incorrect, in my opinion, excise was placed on wine grape spirit used for fortifying wine in the last Budget. Some of the proprietary wineries stated that they would much prefer a wine tax to that particular tax. I know that, in regard to some of the big companies, which are also owned by brewing companies, their lobbying against a wine tax has been pretty ineffectual, if they have done anything at all. There is a conflict of interest in some of the large conglomerates. That makes it very difficult.

It may be as the Hon. Mr Dunn said: some of the big wine companies will be quite happy to see some of the co-operatives, which produce very good quality wine in bulk, go out of business. The industry is a pretty disorganised and cut-throat industry.

The Hon. Mr Lucas had some criticism of the Redevelopment Council. I do not break confidences, but I assure him (and I will tell him later, referring to the member) that a very prominent Liberal Party member came to see me when the Redevelopment Council was proposed and he suggested quite strongly that the Riverland did not want a bureaucracy potting in the Riverland and pouring millions of dollars into the area, and that that would not solve the problems of the Riverland. I agree wholeheartedly. The suggestion that the whole of the Riverland area is a disaster area, as some people keep saying, is absolute nonsense. There are pockets of problems in the Riverland that need addressing but not by throwing millions and millions of dollars at them and imposing a very large structure to spend those millions of dollars and distribute it throughout the community.

If the Hon. Mr Lucas is interested, he can see me after the debate and I will refer him to that very senior and prominent Liberal Party member, with whose views I completely agree. The Hon. Mr Lucas went on and was worrying about what would happen to the compensation if we received any. I think Mrs Beaton, in her cookery book recipe for turtle soup said, 'You first catch the turtle.' If we persuade the Federal Government to give us any money, I assure the Hon. Mr Lucas that we will use it in the best possible way,

as we do with all State finances. At this stage I suggest that to start quibbling about what we are going to do with this money is really a little premature.

The Hon. Mr Hill, of course, gave the Council his usual little bit of light relief that we have come to expect and, at this time of the evening, we are all grateful for it. The Hon. Mr DeGaris was the final speaker from the Opposition benches. He spoke some sense and I agree with his remarks. In response to his question about whether or not the Government will accept any amendment, the answer is 'No'. The motion that was moved in this Council was also moved in the House of Assembly.

To have any impact on the Federal Government at all in this area, there must be a considered and measured response. We do not need the histrionics as suggested in the amendments of both the Hon. Mr Cameron and the Hon. Mr Milne. I do not say that with any disrespect to either of those honourable members; I appreciate that both the Democrats and the Liberal Party have to get some publicity. That is often quite difficult in Opposition, so I appreciate the need. I just do not think this is one of the issues for that purpose. We could pass a motion referring in a sneering way to what the Hawke Labor Government did and demanding specifically tens of millions of dollars. Really, it does not work that way. If any impact is to be made on the Federal Government it will be made by careful, considerate and effective lobbying: it will not be made by shouting hysterically from the rooftops. That might make the Hon. Mr Cameron feel good, but I can assure the Council that the impact that it will have on Mr Hawke and his Government will be absolutely nil.

It will take constant representation to be made in a reasonable manner by a responsible Government. I suggest that everything that needs to be said about this issue is embodied in my motion. There is no necessity at all for the amendments; in fact, I believe that they will be counterproductive. Therefore, I urge the Council to support my motion and reject the amendments.

The Council divided on the Hon. Mr Cameron's amendment:

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

Noes (7)—The Hons Frank Blevins (teller), G.L. Bruce, B.A. Chatterton, J.R. Cornwall, M.S. Feleppa, Anne Levy, and Barbara Wiese.

Pairs—Ayes—The Hons L.H. Davis and K.T. Griffin. Noes—The Hons C.W. Creedon and C.J. Sumner.

Majority of 3 for the Ayes.

Amendment thus carried.

The Council divided on the Hon. Mr Milne's amendment to the Hon. Mr Cameron's amendment:

Ayes (9)—The Hons J.C. Burdett, M.B. Cameron, Peter Dunn, I. Gilfillan, C.M. Hill, Diana Laidlaw, R.I. Lucas, K.L. Milne (teller), and R. J. Ritson.

Noes (7)—The Hons Frank Blevins (teller), G.L. Bruce, B.A. Chatterton, J.R. Cornwall, M.S. Feleppa, Anne Levy, and Barbara Wiese.

Pairs—Ayes—The Hons L.H. Davis and K.T. Griffin. Noes—The Hons C.W. Creedon and C.J. Sumner.

Majority of 2 for the Ayes.

Amendment thus carried.

The Council divided on the Hon. Mr Cameron's amendment as amended:

Ayes (9)—The Hons J.C. Burdett, M.B. Cameron (teller), Peter Dunn, I. Gilfillan, C.M. Hill, Diana Laidlaw, R.I. Lucas, K.L. Milne, and R.J. Ritson.

Noes (7)—The Hons Frank Blevins (teller), G.L. Bruce, B.A. Chatterton, J.R. Cornwall, M.S. Feleppa, Anne Levy, and Barbara Wiese.

Pairs—Ayes—The Hons L.H. Davis and K.T. Griffin. Noes—The Hons C.W. Creedon and C.J. Sumner.

Majority of 2 for the Ayes.

Amendment thus carried.

The Council divided on the motion as amended:

Ayes (9)—The Hons J.C. Burdett, M.B. Cameron (teller), Peter Dunn, I. Gilfillan, C.M. Hill, Diana Laidlaw, R.I. Lucas, K.L. Milne, and R.J. Ritson.

Noes (7)—The Hons Frank Blevins (teller), G.L. Bruce, B.A. Chatterton, J.R. Cornwall, M.S. Feleppa, Anne Levy, and Barbara Wiese.

Pairs—Ayes—The Hons L.H. Davis and K.T. Griffin. Noes—The Hons C.W. Creedon and C.J. Sumner.

Majority of 2 for the Ayes.

Motion as amended thus carried.

SOUTH AUSTRALIAN SUPERANNUATION FUND

The Hon. R.C. DeGARIS: I move:

That the Report of the Acturial Investigation of the South Australian Superannuation Fund as at 30 June 1983, laid on the table of this Council on 9 August 1984, be noted.

In opening my remarks on the motion, I will in the first place make two comments: first, the tabled report is the best report that the Parliament has received, although it must cause considerable concern to any person who studies it. Secondly, over some years now I have drawn attention to the problems that future Governments face with the taxpayers' cost of Public Service superannuation. I do not wish in any way to criticise the Public Service for the problems that have developed. Further comment on this point will be made later.

Both the Hon. Lance Milne and the Hon. Legh Davis have been reported in the media since the tabling of the report, and I believe that further note should be made in this House of Parliament. The actuarial deficit in the fund, the fund being the part of liabilities that are the responsibility of contributors, is reported to be $19.9 million.

The PRESIDENT: Order! Will some members who wish to hold private conversations please sit alongside of whoever they want to talk to. That includes the Minister.

The Hon. R.C. DeGARIS: The 1981 report showed a deficit of $8.3 million. This report shows a further deficit of $11.6 million in that three year period. However, the Acting Public Actuary reports that if the valuation methods used in 1981 had been used in 1984 the fund would have had its liabilities reduced by approximately $8 million. If one accepts the 1981 valuation, the increase in the liabilities of the fund in the past three years would have been $3.6 million. The Acting Public Actuary in his report on the present state of the fund states:

The $19.9 million deficit should not be interpreted as indicating any financial difficulty for the fund. Further, the deficit is substantially a function of the current method of sharing costs between the fund and the Government.

The fund is at present meeting about 18 per cent (in 1983-84 it is probably less than that), while the Government is meeting 82 per cent, (or probably more than that on percentage at present).

In speaking on the question of percentages of contributors to superannuation payments in a Budget debate some years ago, I pointed out that the Government would by the year 2000 have to meet 90 per cent of the cost of Public Service superannuation. The 1984 report seems to agree with that contention and makes a recommendation for approximately a 20 per cent increase in superannuation payments by contributors. With the proposed increase of approximately 20

per cent in contributions, the Government or the taxpayer will be required to meet 82.5 per cent of the total cost—to 17.5 per cent from the fund—with a suggested decline to 76.5 per cent to 23.5 per cent sharing in 50 years time.

The proposal suggested by the Acting Public Actuary is from 5 per cent to 5.5 per cent of salary for the 20 year olds to arise from 6 per cent to 7.5 per cent in the 30 and over age group, with consequential rises in the ages between. The Acting Public Actuary's report shows that the total liabilities of the fund to be $572 million. There is no report on the present liabilities of the Government or the taxpayers, and on my figures the present liability of the Government amounts to $2 900 million.

The liabilities to meet the basic pensions amount to $1 200 million, while the liability to meet supplementation is $1 700 million. If one wishes to examine Public Service superannuation throughout Australia, if one looks at South Australia with the taxpayers' liability of $3 000 million, one can assume that the total taxpayers' liability in the States of Australia would amount to $30 000 million. If one adds to that the liability for the Federal Public Service scheme, one can say that the taxpayer in Australia as a whole is faced with a liability of $60 000 million in regard to superannuation payments, not taking into account the question of statutory authorities or local government. If one adds those to the liability based on 1983 dollar values, one can see the enormous problem that is facing the future taxpayers of Australia in relation to meeting superannuation commitments.

The basic pension, according to the Act, is met on a 72:28 basis between the Government and the fund, and the supplementation is met on a 93.5:6.5 basis between the Government and the fund. In October 1981 the Government increased the fund's share of the cost of supplementation from 5 per cent to 6.5 per cent. The 1981 report, in dealing with the proposed rise in the fund responsibility for supplementation stated:

> I estimate that if the fund becomes responsible for the payment of 6.5 per cent of the cost of supplementation (as compared with 5 per cent of that cost presently borne by the fund), the fund will approximately balance as at 30 June 1983.

We are informed that the fund deficit is now taking into account the $8 million that is seen as a change in valuation, in deficit approximately $12 million. However, the Acting Public Actuary gives some other factors for the deficit and includes, first, lower level of new entrants; secondly, an abnormal level of withdrawal; thirdly, higher salary increases than assumed; and, fourthly, spouses' pensions for marriage after retirement; and that was introduced in 1981 as an amendment to the principal Act.

It can be seen clearly that the real problem facing us in this State is the changes that were made in the 1974 Bill. It is also clear that other States and the Federal Government face similar problems, with the Federal scheme being one of the most fascinating. If one looks at the reports in the library of the Federal Government's scheme, one will see that the contribution from taxpayers' funds last financial year amounted to $500 million, and the report states that by the year 2040, based on 1983 dollar values, the contribution will need to be $5 000 million or, if one wants to put it that way at 1981 values, five wool cheques in Australia.

I do not wish to waste the time of the Council in quoting any figures from the Federal report, but the future cost to the taxpayer of that scheme is enormous. I have always felt that unfunded schemes that apply to Public Service superannuation in Australia leave a lot to be desired. One of the options that we should consider is to draw the line on the existing scheme and begin a new scheme on a funded basis.

The fund investment policy also needs close consideration. There has always been the ability of the Government to lean on the fund's investment policy for political purposes for projects that the Government feels are advantageous politically for it. This process has not been to the advantage of the Public Service contributor and, apart from other considerations, has been a contributor to the present position. The Acting Public Actuary touches on this question in his report, but I am not sure what he really means in his reference to it. Paragraph 3.2 of the report states:

> The consequence of adopting an unfunded approach is that costs will rise each year, even in the absence of inflation, until the scheme matures.

Apart from the investment policy, other contributing factors apply. One is that Governments can make promises in regard to superannuation benefits, but those Governments do not have to meet the costs of those promises—some poor Government in the future has to meet them. Paragraph 3.5 of the report states:

> If superannuation costs in future were merely to increase in line with inflation, they would in relative terms be no more of a budgetary burden than they are at the present time.

In looking at Bugetary costs, superannuation costs are increasing as a percentage of the Budget, from 1.1 per cent in 1973 to approximately 2.6 per cent in 1984. As a percentage of total State taxation, superannuation costs have increased from 4.4 per cent in 1973 to 8.7 per cent in 1984. Unless some changes are made those increasing percentages will continue. I can point out that in lines on the Budget over the past 10 years superannuation has been one of the largest percentage increases. So superannuation costs to the taxpayer are not related to inflation, but are gaining an increasing percentage of the Budget. While one could continue analysing the report, and also could bring to notice other aspects of the scheme, I would now like to advance some views on changes that should be considered. I have already mentioned some of these views.

I refer, first, to lump sum payments. If one examines the present pension scheme, with its benefits other than the basic pension, and assesses the costs to the fund on a lump sum basis on retirement, the present fund is providing a lump sum payment of 11 times retiring salary. I do not know of any other superannuation scheme in the private sector, or anywhere else, with that level of benefit. Based on a commutation of two-thirds pension basis, that is, if a person commutes the whole of his pension, it means commutation would be at 16 times pension rate. It means that if the scheme was paying a lump sum at retirement based on seven times retiring salary, and a person retiring on a salary of $40 000 a year received a lump sum payment of $280 000, the saving to the Fund would be approximately 35 per cent. That is a staggering figure. The lump sum payment approach needs to be examined by the Parliament.

I turn now to retiring age. The change in 1974 from 65 to 60 years as the age of retirement increased the costs to the Fund by 25 per cent. It does not, at first glance, appear to be a serious impact—a mere change of five years in retiring age—but the effect is quite dramatic. Really, it is a change of 10 years, because income to the Fund is reduced by five years and the payments from the fund increased by five years. The question of the effect of retiring age also needs close examination.

We need also to examine the handling of investments by the Fund. We need to utilise the knowledge and expertise of the private sector operators in this field using them to handle the investment portfolio of the fund. This would remove the ability of Governments to lean on the fund for investments that are not beneficial to but are of some interest to the Government. I suggest that the private sector should be given the opportunity to handle the investments, and that the competitive spirit of the private sector must be used on investment results, and those with the best

results should be given the largest share of the fund for investment.

I come now to the question of a funded or unfunded scheme. At present the fund is an unfunded scheme. The taxpayer meets the pension when it falls due and a large proportion of the supplementation. If a funded scheme is to be introduced, then I believe it would be necessary to draw the line on this scheme and start afresh. I do not believe that any Government would permit a funded scheme to be introduced as the cost to the Government would be extraordinarily high in the first few years. It is better to leave some Government in the future to meet the difficulties. However, the introduction of a funded scheme needs to be investigated. In the long term it has advantages.

There are three other points I wish to touch on. The Hon. Legh Davis has moved for a Public Inquiry into Superannuation Funds operated within the public sector. Such an inquiry is necessary, and such a report is necessary, but I would prefer Parliamentary representation on that inquiry. It is desirable that in such an inquiry all major parties need to be involved, particularly because I am sure that, if we can reach a bi-partisan approach, there is more chance of reaching a satisfactory conclusion in this matter.

The second point is that the Public Actuary or Acting Public Actuary makes his report to the Superannuation Board and then, as Chairman of the board, deals with his own report and advises on investments. A change to this procedure needs examination. It appears to me almost like an auditor auditing his own books. The third point is that the 1974 Bill was the Bill which has created the present difficulties. The Parliament was unable to understand the implications of that Bill because of its complexities. How many members understand the complications of a Superannuation Bill that comes before this Council, particularly if it is introduced towards the end of a session when there are 20 or 30 complex Bills before us. It takes some weeks to understand exactly what such a Bill contains.

We tend to blame the Government and while Governments have a large part of the blame to carry in this matter some of the blame must be levelled at the Parliament and its inability to understand fully the complications and complexities in modern legislation. This lack of research and lack of information must also be recognised. The problem of Public Service superannuation needs to be faced and needs to be faced now. If the Government does not face it, then the Parliament, in some way or another, must do so.

The Hon. J.R. CORNWALL secured the adjournment of the debate.

ADMINISTRATION OF THE LAW

The Hon. J.C. BURDETT: On behalf of the Hon. Mr Griffin, I move:

That the report by W.A.N. Wells, Esq. on the administration of the law be tabled.

The Hon. Mr Griffin has spoken on this matter and there is no need for me to say much more about it. Obviously, the report that was delivered to you, Mr President, was important and, as you recently commented, there was reason why such a report should not simply be delivered to you but should be available to other members of Parliament. Therefore the report should be tabled. When a person of the quality and experience of Mr W.A.N. Wells, Esq. a former judge of the Supreme Court, takes the trouble to report on the law making process, honourable members should have access to the report.

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

TRANSPLANTATION AND ANATOMY ACT AMENDMENT BILL

The Hon. J.R. CORNWALL (Minister of Health) obtained leave and introduced a Bill for an Act to amend the Transplantation and Anatomy Act, 1983. Read a first time.

The Hon. J.R. CORNWALL: I move:

That this Bill be now read a second time.

The purpose of this short Bill is to facilitate the continuing operation of the Lions Eye Bank of South Australia. Honourable members will recall that South Australia's transplantation and anatomy laws were rewritten during 1983. Part III of the new legislation, which recently came into force, provides for the authorised removal of tissue from the body of a deceased person, for the purpose of transplantation to the body of a living person or for other therapeutic, medical or scientific purposes. Section 24 of the Act envisages that a medical practitioner will carry out the removal of the tissue. (In fact, research on the point has shown that since the old Anatomy Act of 1954, persons other than medical practitioners have been forbidden from removing eyes or any other tissue).

It has recently been brought to the Government's attention that the provisions of new section 24 cause practical difficulties for the effective operation of the Lions Eye Bank of South Australia.

As honourable members may be aware, we have in South Australia an Eye Bank which is at the forefront of eye banking at an international level. Financed by the Lions Save Sight Foundation and housed at Flinders Medical Centre, the Lions Eye Bank, under the medical direction of Professor Douglas Coster, has achieved an enviable reputation.

Its main functions are:

- to collect, store and distribute eyes for corneal grafting;
- to undertake research into corneal grafting;
- to increase community awareness about organ donation and corneal grafting.

Since it began in December 1982, the Eye Bank has collected 164 pairs of eyes, providing material for 121 sight restoring corneal grafts.

The majority of eyes (108 pairs) have come from Coroner's cases at the City Mortuary, with the remainder coming from metropolitan hospitals. The practice which the Eye Bank has followed, and which has proved to be most effective, is to have the excision of eyes undertaken by a specially trained technician. Great care is taken to ensure that consent is obtained for the tissue removal. The excision needs to be done in such a manner that the best possible cosmetic and aesthetic result is achieved, and the specially trained technician takes particular account of that aspect. The person currently performing this task is both a nurse and a science graduate.

The persons involved in conducting the Lions Eye Bank are most anxious that the success of the corneal grafting programme not be jeopardised and that present practices be allowed to continue. As I have indicated earlier, the provisions of section 24 of the Act restate requirements that have existed for some 30 years. However, their inclusion in the new legislation has highlighted them as an obstacle to the work of the Eye Bank.

The Government is anxious to facilitate the continuation of the excellent work of the Eye Bank. Accordingly, an amendment is proposed to broaden the provisions of section 24, to allow a medical practitioner or an authorised person to carry out the removal of tissue for the purpose of corneal transplantation. Honourable members will note that it is only in relation to removal of tissue for corneal transplantation that it is proposed to allow a departure from the

general requirement of medical practitioner removal of tissue. In addition, to ensure that there is adequate control over the choice of persons who may be appointed as authorised persons, the appointment is to be made by the Director-General of Medical Services or his delegate.

Explanation of Clauses

Clause 1 is formal. Clause 2 amends section 24 of the principal Act. Subsection (1) of that subsection is struck out and a new subsection substituted, providing as follows: An authority given under the Part is sufficient authority for the removal of tissue from the body of a specified deceased person. The tissue must be used for the purpose of transplantation to the body of a living person or for other therapeutic, medical or scientific purposes. The tissue must be removed by *(a)* a medical practitioner (not being one referred to in subsection (2) or, in a case to which section 21 applies, the designated officer for the hospital) or *(b)* where the tissue is to be removed for the purpose of corneal transplantation—an authorised person or a medical practitioner entitled under paragraph *(a)* to carry out the removal.

New subsection (4) is inserted for the purpose of defining 'authorised person'—a person other than a medical practitioner, appointed by the Director-General of Medical Services or his delegate to be an authorised person for the purposes of the section.

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

ACTS INTERPRETATION ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 21 August. Page 400.)

The Hon. R.J. RITSON: I support the second reading and, in doing so, I wish to state that I have a major objection to part of clause 3 and will be supporting amendments that I expect the Hon. Mr Griffin to move. Whilst aware of the hour, I just want to spend a few moments referring to some of the difficulties in clause 3. Judges are trained in the interpretation of Statutes. They have a number of rules and aids to statutory interpretation to which they have recourse when the solution is not clear from the plain words and plain reading of the Statute. There are rules such as *ejusden generis,* and there are rules which enable certain parts to be severed from other parts, but those rules do not include having recourse to the debates and proceedings of Parliament, reports of Parliamentary committees, Law Reform Commissions or committees, treaties and international agreements.

I want to put to the Council some arguments why judges should not have recourse to these materials as aids to Statutory interpretation. It would be nice if we could always have crystal clear statutory language that plainly solved every problem that came before the courts. It is extremely difficult for human beings using a language such as the English language to draft perfectly in every case, and it is extremely difficult for Parliament to foresee every likely future event, every new invention and every anomaly that the courts are going to have to make decisions upon.

A person might think that it is plain that one shall not ride a bicycle through the park, and that a Statute worded in that way was plain and simple. Then, one might end up with a big argument about what is a tricycle and what is the difference between a tricycle and a little balancing wheel on a bicycle. The whole history of litigation is peppered with litigants bringing unusual cases and sets of unforeseen circumstances before courts. It must be accepted that some ambiguity in particular cases will always be present. We need to decide whether the suggested recourse to the material listed in clause 3 will diminish or increase the conundrum facing judges in interpreting Statutes.

Referring particularly to the debates and proceedings of Parliament, I point out that it has been said that it is possible to determine the will of Parliament in a particular matter more clearly by reading the debates—sometimes it may be, and sometimes it may not be. What part of the debates does one read? Do you evaluate the different arguments in different speeches, or do you count the arguers? Of course, the will of Parliament is the will of the majority of members, yet it may be that the will of the majority of members is expressed clearly in the Statute but not clearly in speeches. A minority of the Parliamentarians might sometimes pursue a more impressive argument. Which is the court to do? Is it to count the arguers, or should it look at the voting pattern, or should it decide which argument in the speeches is more persuasive?

Let the Council suppose that it were enshrined in law that a review of Parliamentary debates was part of the statutory interpretative process. Would we then have appeals based on the way the courts ought to have interpreted Parliamentary debates? The paper refers to reports of Parliamentary Committees. If there were a problem of statutory interpretation on a matter involving uranium, do honourable members think it would help the courts to have recourse to the three conflicting reports of the Select Committee on uranium? Again, if the court is not going to look at the individual arguments in ambiguous or conflicting reports of Parliamentary Committees, is it simply going to take the view of the majority members of the Committee? The court would then be counting the arguers and not evaluating the opinions. Indeed, when a court looks at a Statute and nothing else, it is looking at a head count of the arguers. It is looking at the will of the majority of the members of Parliament as can be best expressed in the English language.

So, I argue that to introduce all this material will compound, confuse and make more complex the task of statutory interpretation. I refer on page 2 of the Bill and the reference to boards or commissions of inquiry. I have enormous faith in the ability of the courts and judges to judge and the ability of judges to work exactly and precisely to the judges' rules of statutory interpretation, but we all know that boards or commissions of inquiry deal with matters of public politics. They deal with matters of subjective values; they are often political in nature, by virtue of the people appointed to them or by virtue of the subject material. I do not believe that judges are necessarily any better than the average member of Parliament in deciding what community values, political values or social values should be given particular weight. It would disturb me that judges should in interpreting ambiguous Statutes be required to have recourse to reports of politically controversial committees, boards and commissions.

When we come to the question of treaties and international agreements, I am absolutely horrified. Here we have a situation in which we are talking about our State courts sitting in State jurisdictions on State law. The treaties and international agreements are made between Federal Governments and foreign heads of State. There may be an argument, albeit a falacious one, that it is easy to determine the precise will of the South Australian Parliament by having recourse to its proceedings in its committees, but that argument completely disappears when it is suggested that a State court sitting in a State jurisdiction, attempting to interpret the will of this Council, may have recourse to an agreement made between the Federal Government and another country—a Federal Government which may be of a different

political persuasion and disliked by the majority of this Council. That may happen whichever Party is in power, State or Federal.

To ask judges to determine the will of the State Parliament by looking at an agreement made between the Federal Parliament and a foreign head of State is absolutely absurd. This is where I become extremely politically suspicious, because we have seen the Hawke Government use areas of legalistic loophole finding to pursue the cause of centralism and to advance towards republicanism. We saw the High Court's decision in relation to treaties and agreements in the Tasmanian dams issue. I am really perturbed that we now find in a piece of State legislation a proposal that treaties and international agreements will be required to be taken into account by our State courts in determining the intentions of this Parliament.

I do not know what the real political goal behind it is. I do not know whether it has anything to do with land rights, or whether Federal agreements or treaties are intended to give the State Government power over environmental disputes. I know that we are not talking about absolute power; we are talking about subtle influences. Nevertheless, this Bill proposes that our courts be the subject of subtle influences in this direction.

Of course, I can imagine the possibility of a State Government running to its Federal colleagues, speaking in political terms and saying, 'If you can rustle up an international treaty or agreement on this subject, the difficulty that we are having in our State with a particular court case may lean in our favour'. Is that an honest attempt to determine the will of the House that passed that legislation? It is not. I do not think that any member who respects our system of Government, who respects our impartial courts, and who respects our representative Parliament would want to see these provisions passed.

The judges are in a difficult position. By the nature of their profession, they are not able to express views publicly and politically on this measure. I would be surprised if a number of judges were not deeply disturbed by the prospect of their being put in this position and being required to consider a Bob Hawke treaty or agreement in interpreting the will of this Chamber. I indicate that I will support with all my strength any amendments moved by the Hon. Mr Griffin in this regard. Quite frankly, the more I think about the treaties and international agreements part of this Bill, the more I am deeply suspicious about the integrity and sincerity of the Government which introduced it. So that we can deal with the question of removing some of those elements, I support the second reading.

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

SELECT COMMITTEE ON LOCAL GOVERNMENT BOUNDARIES OF TOWN OF GAWLER

Adjourned debate on motion of Hon. J.R. Cornwall:

That the Joint Address to His Excellency the Governor, as recommended by the Select Committee on Local Government Boundaries of Town of Gawler in its Report, and laid upon the table of this Council on 16 August 1984, be agreed to.

(Continued from 21 August. Page 389.)

The Hon. I. GILFILLAN: I find it an interesting situation to be speaking in this debate. There is no doubt in my mind that it is the right of this Parliament to debate the report, particularly when one realises how the Legislative Council works its Select Committees. In essence, they are confidential and their reports are not substantially available to the public for analysis until at least some days after their tabling. It seems to me appropriate that we can spend some time discussing this report without too dramatically threatening the procedures of the Council. Rather, I believe it enhances the procedures of this Parliament.

Before beginning my comments, I point out that the report was supported by all members of the Select Committee, of which my Parliamentary Leader, the Hon. Mr Milne, was a member. I point out that I appreciate the Hon. Mr Milne's tolerance and understanding in accepting the fact that I am speaking in this debate and will no doubt be making some critical remarks on a report to which he has given his approval. I think that reflects the strength of our political relationship rather than any weakness.

This report was notoriously difficult to evolve. From some of the speeches of some members of the Select Committee, it became plain that there were some misgivings and changes of opinion by members of the committee. That emphasises to me, once again, the difficulty and contentiousness of some of the issues dealt with in the report. I believe that as a member of Parliament it is my duty and my right to put a case for minorities if I believe that it is worth while. I believe that in this case the people who have approached me and provided me with material have basically come from one area affected by this report.

I am pleased and enthusiastic about the opportunity of giving this minority point of view a chance to be heard in this place. Therefore, I see in a way that I am acting as a representative for a group of people to have a point of view put before this Council. Also, the material to which I am referring and some opinions that I may express, I am the first to acknowledge are based on much less experience and study than those of my fellow Legislative Councillors who were on the Select Committee. I take that into mind in any judgment that I am currently making.

However, the material that I intend to quote briefly comes from a report that was prepared by the District Clerk of Munno Para, David Wormald. I have received a letter dated 20 August, signed by 10 councillors of Munno Para, including the Chairman, saying this about this report:

Dear Mr Gilfillan,

We the undersigned councillors of the District Council of Munno Para do hereby confirm that we are in full agreement with the attached submission headed, 'Gawler Council Boundaries Debate', in respect of the Select Committee's Report into Local Government Boundaries of the Town of Gawler.

I intend to encourage the Minister o Local Government to pay proper attention to the contents of this report in full, and I hope that either he or someone on behalf of his Department will attempt to satisfy the council at Munno Para on all the points that they have raised in a report which I feel is a credit to David Wormald and which provides the sort of critical analysis that can do no harm to any report. A report presented in this place should be able to stand criticism, and that criticism should be addressed. I intend to pick out a few of the points raised in this analysis of the report and make a couple of observations about them.

Before I do, that, it is advisable to give some recognition to the unique situation of Munno Para as a council and of the residents of Munno Para. The background to this issue appears to reflect a series of threatened takeovers and disintegration. The latest of which I had knowledge was from Elizabeth, where a petition for substantially taking over Munno Para was launched. It therefore seems to me that the council is justifiably nervous about its continued existence. I am sure that the Legislative Council will have sympathy and understanding for that attitude.

I will refer to the page of the report and its paragraph and line. On page 2, paragraph 4.2 it states:

It is apparent that the facilities and services provided by the Gawler corporation and its residents are one major reason for the location of new residential areas on the fringes.

The comment from Munno Para is:

In fact, the loan borrowings of the surrounding councils indicate that it is them which have footed the bill for the council infrastructure costs for development, not Gawler. For example, Munno Para council has taken out 52 separate loans for works, services and facilities in that area. Most of the regional facilities in Gawler, as in other towns, are provided by Federal and State Governments from the general taxes towards which people living in Gawler and surrounding areas contribute, irrespective of local government boundaries.

Page 3, paragraph 4.3 states:

The committee has noted recent petition activity to unite the Corporation of the City of Elizabeth with the District Council of Munno Para. These boundary pressures had some effects on the deliberations of the committee.

That is the recognition of the point that I was making that Munno Para has felt itself to be a council under siege, and this was one of the most stark examples of activities that have created that feeling. The response from the council is:

However, the committee does not say how these boundary pressures affected their deliberations. Perhaps one of the members could tell us about this . . .

For the peace of mind of the Munno Para council I refer that question either to someone analysing the report and its supportive material or to the Minister (Hon. G.F. Keneally) himself. Another area where a small group of residents have expressed directly to me concern about the report, is from the Cockshell Estate in the District Council of Barossa. Page 3, paragraph 4.4 of the report states:

There was particular opposition by the residents of Cockshell Estate in the District Council of Barossa.

The comment is that, despite this, the annexation of this area to Gawler has been recommended.

As I mentioned earlier today, there is very good reason for any Parliament in approving a report to look very closely at decisions that have been made directly against the wishes, or what one interprets as the wishes, of the people who are involved in that decision. In both cases—Cockshell Estate and the Munno Para area—we need to be reassured that there is very good reason for those groups of people to be moved from one local council area to another against, as I understand it, the majority wishes of the people. Page 4, paragraph 5.1.1 states:

The committee considers that the change to the District Council of Light, whilst it will involve a rate loss to the District Council of Light will also remove a considerable maintenance and works commitment and enable it to devote more attention to its largely rural component. The net effect of the change will be discussed in more detail in a later stage of this report.

The comment on that is however, the committee has not recorded any details of rates versus costs of this considerable maintenance and works commitment. I am also very concerned if the committee is implying that a council cannot properly cope with an urban/rural mix.

I hope that councils are able to handle rural/urban mixes quite capably; it should be part of a responsibility of any local council to deal with that sort of blend. Page 5, paragraph 5.1.2 says:

The committee is aware that the area has ties with Gawler regarding the use of services, particularly in the use of educational services, and is therefore a part of the general Gawler community.

The comment is that surely all residents, wherever they live, contribute to educational services through their taxes and do not have to live in any particular local government area to do so. Education costs come from the Federal and State tax purse.

I am advised that there are children in Gawler who move into Munno Para to attend the Craigmore High School. The report goes on (page 5, paragraph 5.1.2):

The committee believes that the residents will not be adversely affected by any link with Gawler and the committee has given regard to representation and rating matters in its decision.

The comment on that is that one would have thought that in a proposal with such far reaching ramifications at the very least the committee would have had a draft budget prepared for the new Gawler area to establish whether or not the people in the existing Gawler area and the people in the proposed areas to be annexed would be better or worse off and, further, the committee should have had a close look at the economic effects of taking away large tracts of land from surrounding council areas, particularly Munno Para.

Page 6, paragraph 5.1.3 of the report states:

The committee considers that those existing residential areas close to the boundary with Gawler have a close affinity to its community facilities and service provision.

The comment on that is that whilst there is no argument that people in other council areas near to Gawler would use Gawler's facilities, there is no way that this, in itself, is an argument for amalgamations because this very same thing happens in every metropolitan area throughout the world and is always a two way thing. The main recreation centre at the northern end of the metropolitan area, the Eldred Riggs Recreation Reserve, comprising a football and cricket oval, tennis courts, squash courts, a hall, licensed club and amenities, which is well used by Gawler residents, has been provided by the District Council of Munno Para. Many Gawler people also use Munno Para's mobile library and other facilities.

At page 7, 5.1.3 the report states:

The Committee has given careful attention to the likely impact of this change on the District Council of Munno Para and more detail will be given on this later in the report.

That does not appear, at a cursory glance, to be available in the report. I think that it is reasonable to suggest that the report be questioned on this matter if it makes recommendations and says that more details will be given later. It may be that that could be pointed out so it can be found, otherwise it does show up as a deficiency in the report. Page 7, 5.2.1 states:

The administrations of the councils will require further counselling, particularly over the next few months, regarding transfer of certain assets, liabilities and staff and to establish new systems.

The comment on that is that the District Council of Munno Para has been fighting for its life for over 10 years . . . I believe it would be grossly unfair for Munno Para council to have to be involved in these kinds of negotiations, at least until after all the severance bids against it have been resolved.

Finally, so far as the points from this report are concerned (I believe that the whole report needs further study). Page 8, 5.2.4 states:

It is estimated that the proposed transfer of territory will mean an approximate loss of $413 000 in rates or 14 per cent of the total rates collectable of the council.

The comment on that is that on page 9, the Report says that 5 or 6 employees should be transferred from Munno Para to Gawler. Six employees represents 5 per cent of Munno Para staff of 114. How does the Committee think that Munno Para can lose 14 per cent in rates and only 5 per cent in staff? They then ask, I believe quite reasonably: How is Gawler going to service such a large additional area with road construction and maintenance, reserve development and maintenance, garbage collection etc. with only 5 to 6 extra staff?

They make, I believe, several other reasonable and thoughtful comments on the report, so I make no apology (and I do not think honourable members would expect me to) for presenting these points to the Council. Quite obviously, it is not here that the actual decisions resulting from this report will be made. Therefore, I stress again that it is really an obligation on the Minister of Local Government to ensure that this analysis, this commentary on the report, is looked at and studied in depth in conjunction with any

other material that comes forward. I do not believe that this is necessarily the only material worthy of consideration.

I intend agreeing with the report on the basis that I respect the work done by the Select Committee and have confidence in its members, although it may show up from an analysis of these comments that the report itself has some deficiencies and may, in fact, make some wrong recommendations. However, I do not feel that I am in a position to say that and, therefore, it is not my intention to vote against the report. I thank the Council for the opportunity of putting my case before it. I urge the people from Munno Para who are involved to continue to make sure that their point of view is heard. I hope that there is a happy resolution to a very difficult decision that the Select Committee had to make in bringing down its report. It is my intention to vote in favour of the report, recognising that there could easily be some alterations to its recommendations if the Minister takes into account all material now before him.

The Hon. R.I. LUCAS: I rise to support the motion. In so doing, I place on record the fact that I had some reservations after reading the report about supporting the motion. As with other members, I have received a number of written representations from people and, in particular, some material from Councillor Pearce of the Munno Para Council. Whilst respecting the views that Councillor Pearce has put to me, and to other members, in the event I have decided not to do as he urged me to do and vote against the report, but to support the motion.

I want briefly to discuss three matters. In the first instance, as the Hon. Mr Gilfillan put quite eloquently, not being members of the Select Committee, we are at a considerable disadvantage because the six members of the Committee sat for some 14 months and for countless hours assimilating all information put before them. My colleagues tell me that it is virtually unprecedented for a unanimous Select Committee report to be voted down in this Chamber. The Hon. Mr DeGaris, who has a longer memory than most on these matters, thinks that there might have been one such instance in the dim dark past, but has not been able to turn it up.

The Hon. R.C. DeGaris: I do remember one in the House of Assembly.

The Hon. R.I. LUCAS: The Hon. Mr DeGaris says that he remembers such a happening in the House of Assembly. Nevertheless, I think that the general principle is that where a unanimous report is presented, particularly when the three Parties from this Chamber are represented on the committee, there is a considerable argument for accepting the report. If there is to be a vote against the report, it behoves members, and in this case myself, to come up with some good reason for not accepting the report, and I cannot do that.

From my brief experience on the Select Committee involving the boundaries of Kadina, Moonta and Wallaroo I know that the attitude I took, and still take, is that we should only accept voluntary amalgamations or abolitions of certain councils and that we, as a Select Committee, or as a Parliament, ought not be in the business of compulsorily amalgamating or removing local government councils from the map. Therefore, in the case of Wallaroo I did not support the compulsory amalgamation with the amalgamated Kadina/Moonta council, although I must confess (and said at that time) that there were some attractions for that particular concept.

The Hon. G.L. Bruce: Neither did the rest of the committee.

The Hon. R.I. LUCAS: I do accept that Committees are entitled to recommend substantial realignment of boundaries. I believe that that is what has happened in respect of the Munno Para council. On first reading the report, as I have indicated, I had some misgivings and, in particular, I refer to page 8 of the report where it states that it is estimated that the proposed transfer of the territory will mean an approximate loss of $413 000 in rates, or 14 per cent of the total rates collectable by the council. That would seem to indicate that the total rate revenue of Munno Para is currently of the order of $2.9 million or $3 million, although that is not specifically stated in the report.

The question in my mind was whether or not the removal of $500 000 of rate revenue would leave the Munno Para council as a viable entity. The report goes on to say that there will be an offsetting adjustment that needs to be made with respect to loans and annual repayments of about $119 000. It goes on to state that the committee is aware that the transfer of these loan repayments to Gawler will partly offset the overall effect of the rate loss. The inference from the committee is obviously that the net effect of the change will be some $300 000, that is, $413 000 loss in rates but a loss of liability of about $119 000.

What is not made clear in the report is whether the total annual repayments are of a short term or long term and recurring nature. If the $119 000 in total annual repayments is a short-term loan and may be paid out by Munno Para council in a period of five years, it will mean that in the longer term the net effect on both councils will be greater than the $300 000 inferred by the committee. I am not sure whether or not those annual repayments are short-term loans or long-term loans. No information was given in the committee's report on this matter.

On page 7 of the report exactly the same argument can be made concerning the effect on the District Council of Light when it states that there will be an offset of $10 000 in annual repayments for two loan commitments. Once again, no information is given in the report whether they are short term loan commitments, and therefore likely to be paid out by the District Council of Light in a short period so that they would not be long term liabilities for that council.

Having had those doubts, I discussed the matter with someone more experienced in these matters than I, that is, the Hon. Mr Hill. He indicated to me, and has indicated in his contribution to this debate, that the Munno Para council, with a rate revenue of between $2.5 million and $2.9 million—probably closer to $2.5 million—is likely to be a more than viable council, at least on the basis of rate revenue. I am aware that the Munno Para council is under pressure from other areas, but that has nothing to do with debate on this report.

The Hon. C.M. Hill: That is really another serious problem.

The Hon. R.I. LUCAS: Yes, and Munno Para has Mr Evans and the Elizabeth council to argue that matter with. From my reading of the report and the advice of the Hon. Mr Hill it would appear that the Munno Para council is left with a rate revenue of some $2.5 million to $2.9 million. In my view, and certainly in the view of the Hon. Mr Hill, that is more than an adequate rate revenue base to justify the continued existence of the Munno Para council if one is arguing solely on the amount of money available for servicing the needs of that council area. As I indicated, I will not debate the Munno Para and Elizabeth situation.

The only other area on which I wish to comment is in relation to my personal belief that we need to maintain an open space or buffer zone between the metropolitan sprawl of Adelaide and Gawler. I do not accept the argument of some people that urban sprawled Adelaide will inevitably merge with Gawler and that Gawler will become part of greater metropolitan Adelaide. I have taken this stance in electoral commissions for a number of years and I take it again today in this Parliament. Therefore, I had some concern on first reading page 6, paragraph 5.1.3, as follows:

It is therefore apparent that the future development at Adelaide will extend to the boundary the C.T. Gawler with a mixture of residential, commercial, industrial and open space uses.

On my first reading of this paragraph I wondered whether or not the committee was preparing us for the view of some people that greater Adelaide will merge in future with Gawler. Once again, having consulted the Hon. Mr Hill, I am assured that the need to maintain a buffer zone or open space area between Gawler and urban Adelaide was foremost in the minds of most members of the committee, and that in the redraw of the Corporation of Gawler, a substantial proportion of rural B zoned land will, in effect, be the open space or buffer between urban Adelaide and urban Gawler.

On that basis I accept that the paragraph on page 6 does not imply what I originally thought, and therefore in voting for this report I am not supporting the concept of urban Adelaide spreading into and including Gawler some time in the future.

I was involved with the Select Committee on Wallaroo, Moonta and Kadina and there have been a number of committees concerned with local government boundaries. I consider that a deficiency exists in certain instances where final reports do not contain as much evidence and information as they could to back up the decisions that committees make. As a member of the Wallaroo committee, I take some responsibility for this, although I was sure of my reasons for supporting the final recommendations and knew that they were available in evidence. Members of the community, however, having to put views to members of Parliament, do not have the time or facility to go through the evidence as we do and must rely, to a great extent, on the final report of the Select Committee.

I make this criticism of this report and the report with which I was involved regarding Wallaroo, Kadina and Moonta; perhaps we do not put as much evidence as we could in them to back up the specific recommendations that are made. In committees I am involved with in future I will be arguing that more evidence be included. I hope that if other members agree with me they will take up this matter with future Select Committees. With those brief comments I support the motion.

The Hon. G.L. BRUCE: I was not going to enter into this debate, but after hearing the Hon. Mr Gilfillan and the Hon. Mr Lucas contributing, I felt that I should say something. I am convinced that the only way in which council boundaries can be subdivided with any semblance of order is by an outside body. I believe that this Council, as an outside body, does the job well. When the Lower House was involved I remember that there were many hassles. I have been on two or three Select Committees looking at council boundaries. These Select Committees, knowing very little about the situation, are completely unbiased. The Gawler Select Committee met on 19 occasions, and conducted two tours of the area. I do not know how many witnesses it interviewed, but I bet my bottom dollar that, if the evidence was laid on the table of this Council, it would be 12 inches high. This Select Committee has thoroughly looked at the reports and discussed the matter. It is a consensus opinion, the six members of the committee comprising three Opposition and three Government members. Everybody had an input on the committee and all viewpoints were taken into consideration.

One of the first Select Committees on which I was a member considered the Port Lincoln council boundaries. The Chairman of the District Council of Port Lincoln told that committee the worst thing that could possibly happen to Port Lincoln was if the Select Committee took council boundaries from the District Council of Port Lincoln and put them in the city council.

We took evidence from the Chairman of the District Council, from the Mayor, from the residents and eventually that Committee came down and gave the City of Port Lincoln extra area, taking it out into the area of the District Council of Port Lincoln. Many months later I bumped into the Chairman of the District Council and asked him how he was going. He said, 'Marvellous, I am the Mayor. The best thing you ever did was bring down that report.' Yet the most violent opponent was the Chairman. People in the area are so concerned, so close to the situation, and so involved that they cannot get an overall perspective of what is happening.

While I recognise the right of the Council to hear complaints about the Select Committee report, I believe that the role of this Council is in Committee work, and I believe that we have the most magnificent and significant Committee in this State. This Committee was comprised of three members on each side—it was evenly balanced. The question was taken out of the political arena. The Committee looked at all the aspects on their merits. I believe that the Select Committee of this Council has dealt with the question of the Gawler council boundaries on its merits. Of course, no-one will be completely overjoyed and happy with the results of that decision; that can never be. Someone always loses, and someone always wins. I refer to one of the reports of the Committee on page 5, which states:

The Committee was aware that persons had located on the Cockshell Estate because of the larger allotment size, the style of living and does not wish to see this situation in any way disturbed. The Committee believes that inclusion with the Corporation of the Town of Gawler will not cause any detrimental effect on the residents because of the protection of the development plan standards established under the Planning Act, 1982.

Somewhere along the line the committee suggested that Cockshell Estate should go into the Corporation of the Town of Gawler. There is no way that any of the residents in that area would agree with that report, but that does not say that the decision is not right. The residents in that area do not agree and see their own parochial problem and are protecting their own parochial interests.

I believe that the overall view that the Select Committee has taken should be commended. If we are going to condemn this Council for getting into Committee work, then we destroy completely whatever role this Council might have in a democratic society. I believe that we can fill this role in Select Committee work admirably. We cannot please all the people all the time. I recognise that the Hon. Mr Lucas and the Hon. Mr Gilfillan whilst supporting the motion are critics of it. However, I am quite willing to sink or swim with the Select Committee work that has been undertaken by these six members over 14 months, involving 19 meetings and two visits. I imagine that some 100 or more witnesses gave evidence, all of which was reported by *Hansard.* I know that the Committee has deliberated at great length to come down with this report to Parliament. I, for one, will not be party to any criticism of what has been done. In no way will it please all the people in the area—it is not meant to. Someone has to make the hard decisions. If this Council cannot, then it is a sad day for the people of South Australia, and it is a sad day for the Committee role that this Council fills. I support and urge the acceptance of the Select Committee report on the council boundaries for the town of Gawler.

The Hon. J.R. CORNWALL (Minister of Health): I will reply only briefly to what has been said in the debate. I must say that I am rather sad that we have set something of a precedent in the contributions that we have heard from the Hon. Mr Gilfillan and the Hon. Mr Lucas. The idea of trying to resolve these vexed questions regarding boundaries by using the Select Committee system of the Upper House was first brought in by the Hon. Mr Hill as the then Minister

of Local Government. I must say that it turned out to be in most instances spectacularly successful, and I pay a tribute to the honourable member. I have paid a tribute to the Hon. Mr Hill before for that initiative, and I do so again this evening. I do so generously. The Labor Party tried when in Government in the 1970s via a Royal Commission, no less, and via a series of Select Committees in the Lower House. I would have to say that it is now history that they did not work. However, the work that has been done by the Select Committees of this Upper House in resolving these very difficult, vexed and sensitive questions has been quite outstanding.

This particular Select Committee went into one of the most difficult and contentious areas of the State. As other honourable members have said, it sat for more than 12 months and heard many witnesses. It deliberated seriously and courageously for a long time and eventually brought down its recommendations. The difficulties that it faced are clearly understood by anyone in this Chamber who has taken the trouble to read the report. In local government, as in any area of administration in South Australia, we are concerned about efficiency, cost efficiency and getting value for the taxpayers' dollar in 1984; co-ordination, integration and rationalisation is the name of the game. It was in that spirit, among other considerations, that the committee—an all-Party Select Committee, comprised of Liberal, Labor and Democrat members—was able to produce a unanimous report. As one who has been in the Chamber now for almost a decade and who as a younger and perhaps more foolish person was a little critical of the Select Committee system of the Upper House, I have learned over that long period that if there is one thing this Council does well it is to resolve difficult issues through the use of all-Party Select Committees.

It seems a great shame to me that when there is a unanimous report, it is rather mischievous—although I concede that there is a clear democratic right for honourable members to express their views—for them to do that in a situation where the more cynical of us might believe that they are simply trying to have two bob each way. The Hon. Mr Gilfillan is said by some of the cynics—not by me—to represent those people who cannot make up their minds. The point needs to be made (and it cannot be made too strongly) that nothing is immutable: nothing is going to be set in concrete or chipped in marble. The recommendations as they stand will doubtless be considered and implemented by the Minister of Local Government (Hon. G.F. Keneally), who is a very reasonable and sensible person. I repeat: nothing is immutable. There is nothing that cannot be changed and, if in the fullness of time and after further deliberation there is a further adjustment to the boundaries that is considered to be reasonable or desirable, I am sure that that will be taken on board by the Minister of Local Government and discussed in the spirit of reason that characterises him so well.

One would have to say that Munno Para is an excellent council. It is an excellent employer, as I understand it, and I have some sympathy with and some empathy for those employees, members both of the Municipal Officers Association and the AWU, who are very anxious that the Munno Para council should not be diminished in any significant way.

Members interjecting:

The Hon. J.R. CORNWALL: No, not at all. I would not line up with the Quinella Kid for a month's salary. The young Mr Lucas is becoming known around the place as the 'Quinella Kid' because of the way that he just cannot bring himself to back something straight out.

The Hon. R.C. DeGaris interjecting:

The Hon. J.R. CORNWALL: That may be so. I would have to study the odds before I could comment on that. The Munno Para council is an excellent council; that was recognised by everyone, including all members of the Select Committee. None of the members of the Select Committee wanted to diminish it in any way. Before the members making interjections carry on too much, perhaps they should read the report. There is no intention by the Select Committee to diminish the viability of the Munno Para council. It is the belief of the Select Committee, as I understand it, that that will not happen. Nothing that has been said should be considered as a reflection on the Munno Para council.

I have none of the depth of knowledge that members who were on the Select Committee for 14 months had. Unlike the Hon. Mr Gilfillan and the Hon. Mr Lucas, I do not pretend to be an expert at all. It is well known that I have great expertise in the art of conciliation and consensus. Therefore, I ask all members to unanimously support this unanimous report.

Motion carried.

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

That a message be sent to the House of Assembly transmitting the aforementioned address and requesting its concurrence thereto.

Motion carried.

ADJOURNMENT

At 10.19 p.m. the Council adjourned until Thursday 23 August at 2.15 p.m.