LEGISLATIVE COUNCIL

Tuesday 25 February 1986

The PRESIDENT (Hon. Anne Levy) took the Chair at 2.15 p.m. and read prayers.

PAPERS TABLED

By the Minister of Health, for the Attorney-General (Hon. C.J. Sumner)—

Pursuant to Statute—

Classification of Publications Board—Report, 1985.
Country Fires Act, 1976—Regulations—Permits to Burn.
Judges' Pensions Scheme.
Governors' Pensions Scheme—Report, 1984-85.
Local and District Criminal Courts Act, 1926—Local Court Rules—Service by Post.
South Australian Superannuation Board—S.A. Superannuation Fund Investment Trust—Report, 1985.

By the Minister of Health, for the Minister of Consumer Affairs (Hon. C.J. Sumner)—

Pursuant to Statute—

Trade Standards Act, 1979—Report, 1985.

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

Pursuant to Statute—

Institute of Medical and Veterinary Science—Report, 1984-85.
South Australian Health Commission Act, 1976—Regulations—Perinatal Statistics.
Planning Act, 1982—
Crown Development Report by S.A. Planning Commission on proposed construction of a single car garage, Mount Gambier.

By the Minister of Tourism (Hon. B.J. Wiese)—

Pursuant to Statute—

Woods and Forests Department—Report, 1984-1985.

QUESTIONS

LYELL McEWIN HOSPITAL

The Hon. M.B. CAMERON: I seek leave to make an explanation before directing a question to the Minister of Health on the subject of financial mismanagement of the Lyell McEwin Hospital.

Leave granted.

The Hon. M.B. CAMERON: I have received a number of confidential leaked documents dealing with financial mismanagement at the Lyell McEwin Hospital. These documents are recent and give rise to grave concern about the competence of the Health Commission and the Minister in adequately monitoring the expenditure of taxpayers' funds. The Minister of Health has made a number of statements about the financial operations of the Lyell McEwin Hospital. On 26 September 1984 at the Estimates Committee hearing, he said:

> The Lyell McEwin Hospital is perhaps one of the unsung success stories of the health industry during the past 22 months.

On 22 August last year during debates, in which the Minister defended the Health Commission's handling of the hospital's finances, he said:

> There is no doubt that some of the financial practices were irregular, and I have acknowledged that previously. They have now been put to rights by the prompt action of the commission in the period in which I have been Minister of Health.

He went on:

> I want to make it clear that we have taken every reasonable action that we could as a commission and myself as Minister of Health to ensure that those problems are rectified and will not recur.

The Minister concluded in a burst of self-praise:

> I assure the Council that administration and financial management at Lyell McEwin Hospital in 1985 is very much better in every respect.

In a ministerial statement in this place in September last year the Minister quoted from an earlier reply to a question on the Lyell McEwin. He quoted from that reply:

> The whole administration, including the financial administration at the Lyell McEwin Hospital, has been very substantially upgraded.

He went on:

> I was of course absolutely correct in that assessment.

I now wish to refer to the new documents which put the lie to the Minister's claim and show ongoing mismanagement costing taxpayers hundreds of thousands of dollars.

I have in my possession a copy of an internal memorandum from Mr Des McCullough, Acting Executive Director of the Central Sector, to the Chairman of the Health Commission, Professor Gary Andrews, dated 4 February 1986 (just three weeks ago). That memo indicates that the Lyell McEwin is headed for a budget overrun of at least $500 000 despite the Minister's claim that financial management is much improved. The Acting Executive Director indicates that the reasons for the overrun include: items of equipment have been ordered far in excess of funds provided in the funding allocation ($120 000); increased patient transport costs ($35 000); increased medical salary costs ($35 000); increased costs for goods and services as a result of having to pay 13 months worth of accounts in 1985-86; and apparent non-matching of actual staff levels with funded levels.

In a letter to the Chief Executive Officer, Dr D. Reynolds, Mr McCullough's letter dated 4 February says:

> Sound financial management and control requires the continuous review of actual and committed payments against funds available. Unfortunately, this does not appear to be happening.

So much for the Minister's earlier assurances that he was now in control. Mr McCullough in his letter goes on to propose the following corrective action:

- At least one person with financial management expertise be appointed to the board of management from vacancies to occur in the near future.
- Immediately freeze all non-essential staff vacancies.
- Immediately strengthen the monitoring of control of expenditure in all areas.
- Assess the existing financial management organisation and systems to ensure that such a serious lack of control does not recur.

Despite the Minister's knowing of financial mismanagement at the Lyell McEwin for at least three years, his own officers now admit that there is a lack of adequate control and that a budget overrun is expected.

Will the Minister now take action to correct the gross financial mismanagement at the Lyell McEwin which has occurred on at least two occasions both in the past and recently, or does he stand by his earlier statements that financial management is much improved, in view of his own Health Commission's evidence to the contrary? Is it correct that, in addition to the $500 000 overrun at the Lyell McEwin, there is an estimated overrun of $1.5 million at the Flinders Medical Centre?

The Hon. J.R. CORNWALL: It is a strange world indeed. The Hon. Mr Cameron now uses an internal memorandum from Mr Des McCullough to the Chairman of the Health Commission to support an allegation of financial mismanagement by the administration of the Lyell McEwin Hospital.

The Hon. R.I. Lucas interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: That is the same Martin Cameron who, assisted by the interjector, young Mr Lucas, through August and September of last year used this Parlia-

ment—cowards' castle—to continually slander Des McCullough. They now use internal memoranda (which they do not understand) from Des McCullough, which are drawing matters to the attention of the Chairman of the Health Commission and to Dr Reynolds, the Chief Executive Officer at the Lyell McEwin, to again try to fabricate or support allegations of financial mismanagement.

The Hon. R.I. Lucas: It's fact.

The Hon. J.R. CORNWALL: Young Mr Lucas interjects and says, 'It's fact'—the same Hon. Mr Lucas, who, like the Hon. Mr Cameron, slandered people unmercifully in this place—in cowards' castle—in August and September of last year; they changed the rules of parliamentary decency and still do not have the decency, the manners or the ethics to apologise. So much for that. We also have the Hon. Mr Davis who on the same spurious basis alleged in September last year that the Royal Adelaide Hospital would overrun its budget by $8 million, by a massive—

Members interjecting:

The PRESIDENT: Order!

The Hon. L.H. Davis: Absolutely right.

The PRESIDENT: Mr Davis—Order!

The Hon. J.R. CORNWALL: The Hon. Mr Davis said at that time that the Royal Adelaide Hospital in the financial year 1985-86 (and it is 30 June that matters) was going to overrun its budget by $8 million. It is perfectly true that the Lyell McEwin Hospital administration, on information that has been brought to my attention recently, is at this moment a projected $500 000 over its 1985-86 budget allocation. The figure that matters is what the hospital comes in on eventually at 30 June 1986, not what the position is now.

It is certainly not unusual for a health unit to be substantially over budget at the halfway mark of the year. I have explained this situation many times in this place. There are a number of corrective actions which can be taken to pull that back and, indeed, that is what happens around the hospitals from this period until the end of the financial year every year. If one had listed the projected overruns at 31 December for 1984-85, I can assure you that you could have produced quite a lengthy list, but what happens is exactly what is happening at the Lyell McEwin Hospital at this time. That is what sectors are about.

They monitor on a continuous and regular basis just what is going on in the financial sense at these hospitals. When a hospital such as the Lyell McEwin or any other hospital has a projected or actual overrun at the halfway mark, of course, the real financial management is in pressing that hospital very hard to ensure that it comes in on budget at the end of the year. So, it is the figure at 30 June 1986 that counts. This only points up what I have been trying to get through Mr Cameron's rather thick head ever since he became the shadow Minister of Health. He talks about literal autonomy—and supports it. He talks about hospitals being the masters of their own destiny—and supports it.

What I have been saying in recent weeks, which appears to have upset Mr Cameron substantially (and one or two of the chairmen of the boards of the hospitals), is that we must insist on the integrity of the financial reporting of those hospitals. We must insist on the management information that is available to the commission and to the Government from those hospitals.

I thank the Hon. Mr Cameron for highlighting (just at this crucial time early in my second term) the need for having financial information and management information which is accurate. I thank the Hon. Mr Cameron for highlighting the fact that boards of management, as they are presently constituted, in some areas are not working. I said that as early as February 1983, and I repeat what I told chairmen of boards, chief executive officers and medical superintendents of our seven major public and teaching hospitals in the metropolitan area only two or three weeks ago. The Hon. Mr Cameron, of course, without knowing the real substance of that meeting, without waiting for the summary of the proceedings, has been a major critic. He falls about laughing at this very moment. I can understand his difficulties: he has been in politics for 15 years, but never before has he served in—

The Hon. M.B. Cameron interjecting:

The Hon. J.R. CORNWALL: I would ask that that be withdrawn and that the Hon Mr Cameron apologise.

The Hon. M.B. Cameron: I have met other clowns like that, and I withdraw and apologise.

The PRESIDENT: Is that satisfactory?

The Hon. J.R. CORNWALL: That is not satisfactory.

The Hon. M.B. Cameron: He is very sensitive today and I can understand why. I withdraw and I apologise.

The Hon. J.R. CORNWALL: The next time people talk about who uses abusive language in this Chamber, I will quote that instance and 30 or 40 other very abusive expressions that have been used before by people in this Chamber. I can understand the Hon. Mr Cameron's difficulties in coming to grips and that is why I made an offer to him to meet the entire Chairman's Administration Committee and all the chief executive officers and medical superintendents of our teaching hospitals. He simply does not understand, and that is understandable in itself. Although he has been a member in this Chamber for something like 15 years, the Hon. Mr Cameron has never before had frontbench responsibilities.

The Hon. M.B. Cameron interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: He was the Leader of the Opposition without a shadow portfolio; he has never been in a Cabinet, having sat on the backbench during the Tonkin interregnum. Now, for the very first time, he has a shadow portfolio which he does not understand. I can only repeat what I said: that I am insisting upon the financial integrity of all our hospitals.

It has been drawn to my attention that the figures that are being used for the Lyell McEwin Hospital are the figures that applied as at 31 December, the halfway mark, and that it is indeed $500 000 over its budget. That is a serious matter, but not a matter for grave alarm. The only figure that counts is the budget figure at 30 June at the end of the financial year. Significantly, in every year that I have been Minister, and in every year before me, at the halfway mark there have been overruns. The hospitals then, having overrun, try to validate what they call expenses necessarily incurred, so there is this ongoing battle.

It is precisely for that reason that I am trying to upgrade levels of financial reporting, levels of management information, efficiency of boards and all the other things that I have been putting into place as Minister during the previous three years, and particularly early in my second term as Minister. I can assure the taxpayers of South Australia that, notwithstanding the Hon. Mr Cameron's cheap attempts to misrepresent the position, I am very scrupulously careful with their tax dollars and will continue to be so. That is precisely the reason I have canvassed in this Chamber and elsewhere why we ought to have disciplinary procedures (which are not currently available to me as Minister), if in fact any hospital does not toe the line and does not show a level of financial competence and responsibility that I demand as Minister of Health.

The Hon. M.B. CAMERON: As a supplementary question, is the Minister of Health aware of a letter dated 23 January 1986 from the Chief Executive Officer of the Lyell McEwin Hospital to Mr D. McCullough, Acting Executive

Director of the Central Sector, South Australian Health Commission, and in particular this statement:

> . . . the following steps to reduce expenditure:
> 1. Immediate moratorium on equipment purchase;
> 2. Reduce stockholdings in the main store and imprest stores;
> 3. Review all staffing vacancies as they occur;
> 4. Immediate review of patient transport practices;
> 5. Immediate review of linen usage practices and policies;
> 6. Only essential preventative and breakdown maintenance be performed for the remainder of the financial year.

Is the Minister also aware that the letter further stated:

> It is considered, however, that these measures will only reduce the projected deficit to $450 000. To achieve any further reduction in the deficit, services would have to be cut, which would appear to be contrary to recent Government policy of addressing the serious under-provision of hospital services in the Elizabeth/Salisbury area.

Will the Minister take up these matters as a matter of urgency and ensure that the Lyell McEwin Hospital is not left in this position of not enough money being provided for services?

The Hon. J.R. CORNWALL: I am not sure that I would regard that as a supplementary question. I commend you, Madam President, for your great leniency in the matter. The shadow Minister himself acknowledges that Dr Des Reynolds, the Chief Executive Officer of the Lyell McEwin Hospital, had outlined, as early as 23 January, a whole series of steps that were being taken to pull back that $500 000 possible overrun.

The Hon. M.B. Cameron: He got it back to $450 000.

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: Oh, no.

The Hon. M.B. Cameron: He copied the letter.

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: That is typical of the sort of negotiations and toing and froing that occurs. Let me make it clear that since I have been Minister of Health Lyell McEwin Hospital has moved from a base budget of around $12.5 million to a position where it has received, in addition to indexation increases for inflation, about an extra $2 million for its annual budget. As a result of that, a whole range of additional services has been implemented ranging from medical services, senior registrar positions and 24 hour cover in a number of areas where it did not previously exist to a very major upgrading of accident and emergency services and an upgrading of clinical services generally. There has also been an upgrading in the non-medical sector in both the nursing and non-nursing areas. All of those things have occurred at Lyell McEwin Hospital over the past three years, and will continue.

I inherited a disaster area at Lyell McEwin Hospital. Everybody knew that if an ambulance stopped at that hospital during 1982 the case was either not very serious or beyond all help. That was the situation that I inherited. We have improved that very markedly. For the Hon. Mr Cameron, in grappling (I might say fairly ineffectively) with his shadow portfolio area to suggest that in those circumstances we have not given particular consideration to clinical services at Lyell McEwin Hospital is crazy. I do not know that I have anything further to add.

We are taking active steps at Lyell McEwin Hospital. The figure that appears on 30 June is the one that matters. Furthermore, the overall figure, when managing a hospital system which has a budget in excess of $560 million (or will have in this financial year), will inevitably, as we move into the second half of the financial year, require some redistribution. As a result of the financial competence of the commission last year, following negotiations with Treasury for validation of expenses necessarily incurred, and because of the round sum allowance for additional expenses (particularly for increased wages and salaries), the commission actually came in, as the Hon. Mr Lucas knows, at about $5 million under its total budget allocation.

That is the level of financial management that we now have in the service. I am, however, not satisfied that we have got anywhere near our maximum performance. It is for that very reason that I am developing a whole range of strategies to ensure, as I have said many times, the integrity of the financial management information and the general information that comes to the commission from the hospitals and other health units. I can assure taxpayers again that that will continue.

SHADOW MINISTERIAL ACCESS TO OFFICIALS

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Attorney-General a question about shadow ministerial access to public servants and officials.

Leave granted.

The Hon. L.H. DAVIS: This morning's *Advertiser* carries a report of conditions set down by the Minister of Health, Hon. J.R. Cornwall, that must be observed by the shadow Minister of Health, Hon. M.B. Cameron, in meeting with Health Commission officers and hospital administrators. Those conditions are established in a letter dated 18 February, written in response to the Hon. Martin Cameron's quite reasonable request for access to executive officers of the Health Commission and public hospitals. One of those four conditions states:

> That any proceedings of a meeting with commission and hospital officers be recorded and a full transcript be made available to those attending and to the Minister of Health.

My inquiries to date have revealed that that draconian measure is not covered in the guidelines laid down by the Public Service Board covering access by members of Parliament to public servants, or to other officials; nor is it laid down in the guidelines of the Commonwealth Government.

As far as I can ascertain, no other Minister of the Crown in a Commonwealth or State Government requires a full transcript of any discussion between a public servant or official and a shadow Minister or member of Parliament. The Attorney-General would be well aware that in South Australia shadow Ministers regularly have access to public servants or officials, either with the direct or tacit consent and knowledge of the Minister. My questions to the Attorney-General are as follow:

1. Does the Hon. Dr Cornwall's draconian and stifling condition have the approval and consent of the Premier and/or Cabinet?

2. If it does have approval, will the Government also require full transcripts between every meeting between a shadow Minister and a public servant or official, irrespective of portfolio and, if not, why not?

3. Does the Government envisage any practical difficulties in enforcing such a condition, given, for example, the difficulty of obtaining a full transcript of a conversation between, say, the Director of the Royal Adelaide Hospital and the shadow Minister of Health as they stroll through wards of that hospital?

The Hon. J.R. Cornwall interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: My fourth question is: does this mean that in my capacity as shadow Minister for the Arts I should be wary of what bug might be lurking behind the aspidistra at Carrick Hill or attached to the frame of a Tom Roberts painting at the Art Gallery? Finally, will the Attorney-General, as a reasonable man and as Leader of the

Government in this Council take immediate steps to review this latest outrageous example—

The PRESIDENT: Order!

The Hon. L.H. DAVIS: —of political paranoia exhibited by the Minister of Health?

The PRESIDENT: Order! Words like 'outrageous' are indicating an opinion; they are not fact. A question must contain only fact, and no opinions may be included in a question. I remind honourable members of that Standing Order.

The Hon. C.J. SUMNER: There has not been any change to the general rules relating to access by members of Parliament to public servants. The situation that has pertained in the past still pertains; however, I understand that this meeting was requested by the Hon. Martin Cameron, shadow Minister of Health, by letter dated 13 February 1986 to the Hon. Dr Cornwall.

The Hon. M.B. Cameron interjecting:

The PRESIDENT: Order! Interjections are out of order, and my remarks apply to the Hon. Mr Cameron as well as to everyone else.

The Hon. C.J. SUMNER: The honourable member apparently watched a television program and in response to his interpretation of the remarks that the Minister made during that program wrote the Minister a letter. The honourable member also wished to have the Hon. Bob Ritson present—I trust that he took more interest in the proceedings of the meeting with the Health Commissioners than he is currently exhibiting in relation to the proceedings of the Council. So, the honourable member wrote to the Hon. Dr Cornwall, and I note that he was modest enough to say that he did not pretend to have a deep knowledge of the science of medicine and would therefore appreciate having Dr Ritson along as an adviser. The honourable member also indicated that he would wish to put questions to the Hon. Dr Cornwall and the health professionals, particularly about the accessibility of those professionals tc both the media and himself. The honourable member concluded by saying:

> Might I also advise you that it will be my intention to make public any replies to my questions.

I understand that this was in relation to a meeting of some 16 people that the Minister promised to make available for the honourable member's greater edification and to assist him in a learning process that he is currently involved in as a new shadow Minister. Of course the Hon. Dr Cornwall was prepared to cooperate fully in that regard.

The Hon. L.H. Davis: I am talking about individual meetings; one-off meetings, and his requiring a full transcript.

The Hon. J.R. Cornwall: That is not so, and you know it.

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The facts are that the Hon. Mr Cameron, shadow Minister of Health, made a request to meet health professionals and to talk to them. The Hon. Dr Cornwall was prepared to make those people available—some 16 of them I understand.

The Hon. M.B. Cameron: Have you read the full letter?

The PRESIDENT: Order! The Minister is answering a question, and interjections are out of order.

The Hon. C.J. SUMNER: I have not read the Hon. Dr Cornwall's response to the Hon. Mr Cameron's letter, but I have read the Hon. Mr Cameron's letter to the Hon. Dr Cornwall and I have paraphrased that letter in my reply. It was a request by the Hon. Mr Cameron to the Hon. Dr Cornwall for a meeting such as has been described. I understand that the Hon. Dr Cornwall said that some 16 people would be in attendance. The Hon. Mr Cameron makes it quite clear that it was his intention to make public any replies to questions that he asked on that occasion. I would have thought that that being the case, it would not be an unreasonable proposition to have a transcript so that at least there could be no dispute as to what the replies were. Therefore, if there was an argument about what was said, both the Minister and the shadow Minister would be able to refer to the transcripts, an objective record of proceedings taken down by a third party.

I understand that the Hon. Dr Cornwall suggested that that condition should be imposed in relation to that meeting with those health professionals, in the light of the Hon. Mr Cameron's statement about making the questions and the answers public. I do not know whether the Hon. Dr Cornwall purported to claim that a transcript should be made of all and every meeting that there might be between the Hon. Mr Cameron and public servants in the Health Commission. As far as I am concerned there has been no change in Government policy, and in relation to the meeting referred to and in the light of the Hon. Mr Cameron's desire to make the proceedings public it seemed to me that the condition of a transcript was not an unreasonble one.

The Hon. J.R. CORNWALL: I seek leave of the Council to make a personal explanation.

Leave granted.

The Hon. J.R. CORNWALL: It has been quite explicitly suggested to this Council by the Hon. Mr Legh Davis that I sought to have anything that Mr Cameron said on a one-to-one basis with any hospital official or any member of the Health Commission recorded in some manner or other and a transcript of those discussions made available. That is outrageous; it is stupid, preposterous, and it is a quite recklessly irresponsible distortion of the facts. My wish in suggesting that, in a meeting that I was prepared to expedite between Mr Cameron and no fewer than 16 administrators, medical superintendents and senior Health Commission officers, I insist as one of the conditions that there should be some record of those proceedings was in order to protect the hospital officers and the Health Commission officers who might attend. Mr Cameron and his colleagues have shown in this place before that they have changed the rules of parliamentary decency.

The Hon. K.T. GRIFFIN: Madam President, under Standing Orders the Minister is to make a personal explanation, that is, an explanation of a personal nature. Reflections on other members of the Council are not part of a personal explanation, and I refer to Standing Order 173.

The PRESIDENT: Standing Order 173 talks about explaining matters of a personal nature; such matters may not be debated. I draw the attention of all members of the Council to the fact that no injurious reflection shall be permitted upon any member of this Parliament under Standing Order 193. Of course, that is not specific to personal explanations; that is a Standing Order which applies to all proceedings in this Chamber.

The Hon. J.R. CORNWALL: Quite true, Ms President. Under that Standing Order it was quite wrong of the Hon. Mr Cameron to refer to me earlier as a clown.

The PRESIDENT: I did ask him to withdraw and apologise, which he did.

The Hon. J.R. CORNWALL: I know, and it was grudgingly withdrawn, Ms President. To continue with my personal explanation, I think that I can do no more, in view of the gross misrepresentation of what I was requiring, than to quote from a letter I wrote to the Hon. Mr Cameron on 18 February. There was also a further letter which I wrote to the Hon. Mr Cameron yesterday. The Hon. Mr Cameron had raised two matters with me, and the first was the question of his visiting individual hospitals. His colleague is trying to misrepresent the position by saying that I was insisting on individual visits and that any discussions—and

I must say that this is preposterous—that the Hon. Mr Cameron had with anyone in the hospitals on a one-to-one basis should be recorded.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: That is a crazy proposition.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: The Hon. Mr Davis has not caught up with my letter of 24 February to the Hon. Mr Cameron (and it is very germane to the allegation by the Hon. Mr Davis), as follows:

> Dear Mr Cameron, I refer to your letter of 31 January regarding visits to hospitals and health related institutions. I confirm my recent verbal advice to you that the arrangements set out in your letter are in fact not consistent with past practice.

In fact, I discussed this with the Hon. Mr Cameron behind the screen in this Chamber last week. The letter continues:

> As I advised the Hon. Mr Burdett, MLC, by letter on 1 September 1983, I am pleased to facilitate visits by members to health units provided that initial contact is made with me through my chief administrative officer thus enabling arrangements to be made for an appropriate senior Health Commission officer, for example, a sector director to be on hand to assist members during visits. I do not intend that these arrangements apply in the case of the smaller country hospitals in which case members can make arrangements directly with the hospital concerned.

No problem at all. The letter continues:

> However, in the case of the ex-government country hospitals and health units, for example, Whyalla and Port Augusta [the major provincial hospitals] and the metropolitan ex-government and Government funded health units, for example, the Royal Adelaide Hospital, the Flinders Medical Centre, the Adelaide Children's Hospital, etc., and community health centres, I intend that the established practice should continue.

In other words, as a matter of courtesy, my office is notified—

The Hon. M.B. Cameron interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: When I formerly visited hospitals I always notified. However, when I was invited by a union to the sub-basement area of the Royal Adelaide Hospital, for example, I did not. The rules are that formal courtesy requires that when you intend to visit a hospital—and I believe this to be entirely reasonable—my office is notified as a common courtesy. Perhaps the Hon. Mr Cameron—

The Hon. M.J. ELLIOTT: Ms President, I rise on a point of order and draw your attention to Standing Order 208 which refers to a member's persistently and wilfully refusing to conform with Standing Orders and not showing due authority to the Chair; and I rise in regard to the Hon. Mr Cameron.

The PRESIDENT: I have called the Hon. Mr Cameron to order on numerous occasions for his interjections, and I am getting very close to warning him.

The Hon. J.R. CORNWALL: I continue with this letter which sets out the simple guidelines. All we ask the Hon. Mr Cameron or any member to do when visiting major health units is to notify my office first as a matter of courtesy. The commission is notified and, if a senior sector officer wishes to be present, so be it. I do not attend and no record of the discussions that take place is made. It would be ludicrous if that were done. In the past three years I have done more walking and talking and listening and learning in hospitals than any other living South Australian. I have had a little bit of experience walking around hospital corridors talking about political administration. It would be just crazy to suggest that those discussions should be recorded in any formal sort of way.

The reason that I insist that the normal courtesies should be observed are threefold, as I set out in my letter of 24 February: first, to protect the integrity of all parties; secondly, they are more conducive to a positive approach (and I am not sure that that commends itself too much to the Hon. Mr Cameron or his colleagues); and, thirdly, they are matters of common courtesy. This is a standing arrangement and not, as I say in the letter, to be confused with specific issue matters such as the joint meeting I have offered to convene with key personnel in my letter of 18 February 1986.

Again, in the interests of providing a full explanation, in the letter of 18 February I say at page 2:

> Turning to your request to meet with health professionals:
> 1. I would be pleased for you to meet with Dr Richenda Webb, provided that—
> I. She agrees to meet with you.
> II. The Chief Executive Officer of the Royal Adelaide Hospital agrees to the meeting.

And that is as it should be. The letter continues:

> Whether he should attend in Dr Webb's interest or not is a matter for his discretion.

As I explained to the Hon. Mr Cameron, I am perfectly pleased for him to meet with Dr Webb, provided that is agreeable to Dr Carnie, Chief Executive Officer of the Royal Adelaide Hospital. There was no mention of any record being made of any discussions whatsoever; nor was there any mention—

An honourable member interjecting:

The Hon. J.R. CORNWALL: It is in the letter of 18 February, and I have read this from page 2 of that letter. I also refer to the letter of 24 February. Of course, I go on in that letter to talk about the meeting that I offered to convene with 16 officers. That is unprecedented in the history of this State. I offered to convene a meeting subject to each of the officers concerned agreeing. They were to be under no compulsion—

The Hon. R.J. RITSON: Madam President, I rise on a point of order. I am sure that the Opposition is now satisfied with the Minister's personal explanation; any further explanation by him would be redundant.

The PRESIDENT: There is no point of order. There is no Standing Order which indicates that, if the Council is satisfied, a member must cease his personal explanation.

The Hon. C.M. Hill: We are satisfied.

The PRESIDENT: There is no Standing Order which indicates that that is a procedure of this Council. The Minister may well take note of the honourable member's comment and act accordingly, but he is within his rights to continue his personal explanation.

The Hon. J.R. CORNWALL: If this matter had not been grossly misrepresented and distorted by the Hon. Mr Davis and others, it would not be necessary for me to be on my feet. What I offered was unprecedented in the history of this State. I offered to arrange a joint meeting with the honourable member and the following people, subject to each of them agreeing: Chairman of the Health Commission, the Deputy Chairman of the Health Commission, the executive directors of each of the three sectors—southern, western and central—and the Director of Administration and Finance of the Health Commission. They are the six most senior Health Commission officers.

Then there were the chief executive officers and medical superintendents of the Royal Adelaide Hospital, Flinders Medical Centre, Queen Elizabeth Hospital, Adelaide Children's Hospital, and the Queen Victoria Hospital. You may certainly include, I said, Dr Ritson in those discussions. So here is a meeting I was offering the Hon. Mr Cameron with the 16 most senior people involved in hospital administration in this State. However, there was the matter of protecting their interests—not mine; I really do not mind what the Hon. Mr Cameron gets up to, because his credibility is

such, after 15 years in this place, that what he says or does is a matter of little concern.

The Hon. K.T. GRIFFIN: I rise on a point of order: this is not a personal explanation. The Standing Order clearly indicates that the matter is not to be debated, and I would submit that the matter is being debated in what purports to be a personal explanation, and is therefore out of order.

The PRESIDENT: I think quotations from letters which have passed from one member of the Council to another are very validly part of a personal explanation.

The Hon. M.B. CAMERON: On a point of order, Madam President. Would it be easier for the Minister if I sought leave to table all the letters—and every part of the letters—associated with this, so he would not have to read them? It would save the time of the House and he would not be reading sections of them.

The PRESIDENT: That is not a point of order. There is no Standing Order relating to making things easy for Ministers by tabling papers.

The Hon. J.R. CORNWALL: On that matter, I circulated these letters in the press gallery on Tuesday of last week, so they have been public documents for a week. There is no need for them to be tabled, and I am happy to pass them on to anybody.

I offered to convene this unprecedented meeting with the 16 most senior officers involved in hospital administration in this State with this proviso, and I quote again:

> I would be pleased for you to meet with Health Commission officers and hospital administrators subject to the following conditions:
>
> 1. That each of them agrees to meet with you.

In other words, I was not going to put any pressure on individual officers to meet with Mr Cameron, in view of his track record of distorting things in this House, and identifying particular officers. I go on:

> 2. That you apologise in the Legislative Council and in writing to Dr W.T. McCoy and Des McCullough for the slanders to which you and your colleagues consistently subjected them under Parliamentary privilege in August and September last year.
>
> 3. That you apologise in the Legislative Council and in writing for the unwarranted and defamatory remarks which you made on Wednesday 12 February (again under parliamentary privilege) about Professor Gary Andrews, Chairman and Chief Executive Officer of the South Australian Health Commission.

The fourth point refers to the specific meeting only, and if the honourable member is unable to follow me, he has a problem:

> 4. That any proceedings of a meeting with commission and hospital officers—

and I am referring there, to this proposed meeting of 16 hospital and health officials—

> be recorded, and a full transcript be made available to those attending, and to the Minister of Health.

Let me make clear to the Council that I did not intend that I should attend that meeting. What I was doing, in view of the fact that Mr Cameron, Mr Lucas and others had changed the rules previously in this place, was to protect those officers. I did not want things attributed to them in this Council which they had not said, and it was that meeting and that meeting alone to which I referred, as is clear to any reasonable person who reads the correspondence. I repeat that that correspondence was made public and distributed within the press gallery of this place one week ago.

PAROLE SYSTEM

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation prior to directing to the Attorney-General a question on the subject of the parole system.

Leave granted.

The Hon. K.T. GRIFFIN: Saturday's *Advertiser* contains a report about the impending release of Patrick John Armstrong, who was sentenced to life imprisonment in 1982 for the murder of his father-in-law. The report indicates that the family of the victim is very concerned about the impending release, particularly because in 1983 Armstrong sent threatening letters to the family, and also because he will be released over one year before the expiration of the non-parole term.

Armstrong is yet another of the many criminals who have been and are being released early and automatically under the Government's parole system introduced at the end of 1983. Over the past 18 months or so I have drawn attention to a number of cases. Just before the election there was the Kimba murderer; just prior to that there was a child molester; and there was Colin Conley and within a month or two Kloss, both of whom had very heavy penalties imposed on them for dealing in drugs.

In relation to Armstrong, when the five-year non-parole period was fixed, the court was concerned only to fix a minimum period before which a prisoner could not apply for parole. The court knew that under the system then in existence the Parole Board had the final say as to when a prisoner was released. There was no need for the court to consider questions of automatic release. Under the new parole system Armstrong gets one-third off his five-year non-parole period for good behaviour and is then released automatically. Prior to the State election, the Government strongly asserted its own belief in the system that it introduced in 1983, but within the last two weeks of the election campaign indicated that amendments would be coming before the Parliament to overcome the sort of problem which is seen in Armstrong's case. The Premier's policy speech stated:

> We recognise community concern over the operation of the parole system. We will act immediately Parliament resumes to toughen parole laws. We will amend the current legislation to give the courts greater power to decline to set a non-parole period. This will allow sentences to be referred back to the court at a later date, particularly in the case of prisoners serving life sentences. The courts will have wider powers to extend the non-parole period. These measures together ensure that there can be no automatic release for prisoners serving life sentences. We will also provide that prisoners will lose remissions if they are guilty of other offences or misbehaviour within the prison system.

When will the Government be introducing legislation to amend the parole system in order to protect the community from the early release of criminals such as Armstrong? Why did not Armstrong lose some of his remission for good behaviour for sending threatening letters to the victim's family?

The Hon. C.J. SUMNER: The Government stands by the commitments made in the Premier's policy speech at the last election, and those matters are being addressed. A Bill will be available as soon as Parliament resumes.

The Hon. K.T. Griffin: Not in this session.

The Hon. C.J. SUMNER: It is unlikely that in this session there will be time for that Bill to be drafted and dealt with, but certainly there will be a Bill available in July.

The other problem is that Armstrong and a number of others have found themselves in the transition period from one parole system to another, and the honourable member will know full well that the non-parole periods being set for persons convicted of murder under the new system have been increased very considerably.

The Hon. K.T. Griffin interjecting:

The Hon. C.J. SUMNER: The honourable member is interjecting. What the Premier said in his policy speech will be given attention and implemented as soon as it is possible to give full consideration to all the ramifications of the

drafting of that Bill, that will be available as soon as Parliament resumes for the Budget session.

As far as the particular case of Armstrong is concerned and the loss of remissions, I will ascertain the situation and advise the honourable member whether any remissions were lost as a result of the letters that Armstrong sent to the family, which, I understand, in any event, were some two years ago. I reaffirm the Government's commitment to proceed with reform of the parole system along the lines as set out by the Premier during the election campaign.

VICTORIA PARK RACECOURSE INDUSTRIAL DISPUTE

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister of Emergency Services, a question about the police.

Leave granted.

The Hon. G. WEATHERILL: On Saturday 22 February 1986 an industrial dispute occurred at the Victoria Park Racecourse relating to the conditions of employment for racecourse groundspersons. Specifically, the dispute revolved around a claim by racecourse groundspeople for a disability payment. At 7 a.m. a picket line was established which was supported and maintained by various unions. In the course of the dispute a number of union officials, employees and members were detained by the police and taken to Angas Street, and subsequently released.

Will the Minister report to the Council in relation to the circumstances of the industrial dispute, the detention by the police of persons involved in the dispute and the procedure adopted by the police in the course of such industrial disputes?

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

AUSTRALIA CARD

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Attorney-General a question about the Australia Card.

Leave granted.

The Hon. DIANA LAIDLAW: On 14 January the Attorney-General wrote to the Joint Federal Select Committee on the Australia Card identifying 14 privacy and civil liberty concerns upon which the South Australian Government sought assurances before determining its response to the introduction of a national identification system incorporating the card. The Attorney will be aware that the joint committee is due to report to the Federal Parliament on 31 October and, therefore, time is of the essence. Has the Attorney received a reply to his correspondence providing the assurances sought by the South Australian Government on the 14 areas of identified concern? If so, can he provide this Council with advice as to the nature of those assurances and, if not, is it the Government's intention, when the joint committee meets in Adelaide next week, to advise the joint committee that the Government remains unsure about the merits of the card until its assurances are met?

Finally, recognising that the South Australian and federal officials met in January to identify the extent to which data held by the Registrar of Births, Deaths and Marriages in South Australia is available to verify information on the proposed card, will the Attorney, in his capacity as Minister of Consumer Affairs, advise the outcome of those discussions?

The Hon. C.J. SUMNER: What does the Minister of Consumer Affairs have to do with this?

The Hon. Diana Laidlaw: Do you not have Births, Deaths and Marriages under Consumer Affairs?

The Hon. C.J. SUMNER: Really, there is nothing to add to the matters that were made public in January. The full details of the Government's submission to the select committee on the Australia Card and the details of the Government's decision in that respect were made available to the press. The Government outlined certain concerns that it had from a privacy point of view and it drew those concerns to the attention of the select committee. Until such time as the select committee reports and the Government is able to assess whether or not its concerns have been addressed, no decision has been made by the Government. If those concerns are addressed by the Federal Government in its legislation and if that were the recommendation of the federal select committee, then the Government would not stand in the way of the introduction of the Australia Card.

SITTINGS AND BUSINESS

The Hon. G.L. BRUCE: I seek leave to make a brief explanation before asking the Attorney-General a question about the sitting times of Parliament.

Leave granted.

The Hon. G.L. BRUCE: In this morning's *Advertiser* a large article appeared which illustrated that the Democrats had sent a letter to the effect that that Party would not sit in this Chamber past 12 midnight. What is the Attorney-General's reaction to this; who controls the Parliament; how is the Parliament run; does he intend to sit past midnight; and what is his explanation in the light of the Democrats' stated stand on this position?

The Hon. C.J. SUMNER: At the outset I should say that, as far as the Government is concerned, if it is necessary to sit past midnight (and I hope it will not be, because with the cooperation that the Council is generally accorded, it has not been common for this Council to sit very long after midnight), then we will sit, irrespective of whether or not the Democrats are present. The Australian Democrats do not determine the sittings of the Council: they constitute two members in this Parliament and, in my view, it is irresponsible for them to, as they have done, grandstand in this way about the sittings of the Council by, in effect, saying that they will not carry out their parliamentary duties beyond midnight.

The simple fact is that their actions are a superficial publicity stunt, which is typical of their attitude to proceedings in the Parliament. Because of the general spirit of cooperation between the Government and the Opposition, in relation to late night sittings, there has rarely been a problem in the Legislative Council, although on occasions they have occurred and I suspect that in the future they will occur again. Rather than organising a publicity seeking boycott, one would have expected the Democrats to have approached me, as Leader of the Government in this place, and offered their cooperation in the proposals that had already been announced in relation to measures to be introduced which would attempt to restrict late night sittings. The Government had already announced and introduced proposals in the House of Assembly to ensure that the Parliament did not sit after 12 midnight, except in very exceptional circumstances. Not satisfied with that—

The Hon. I. Gilfillan: That was the House of Assembly.

The Hon. C.J. SUMNER: The Hon. Mr Gilfillan says that that is the Assembly but, if you want to stop late night sittings, one can hardly apply something to the Assembly and not apply it to the Council, because you cannot have

the Council sitting into the middle of the night when the Assembly is up at midnight. The Hon. Mr Gilfillan, having seen that the Government has stolen a march on him in the Assembly, decided to get in for his little bit of publicity with his irresponsible action of, in effect, saying that he will boycott the Parliament.

I would have thought that the proper approach by the honourable member would be to see me, to explain the situation, and to indicate that he would cooperate in any changes to the procedures of the Parliament, or in discussions in the Legislative Council to try to ensure that in the program we did not sit after 12 midnight. Of course, that is not the Hon. Mr Gilfillan's style. He wants to get his headline in the *Advertiser*, irrespective of whether he goes through the normal courtesies of the Parliament. The Hon. Mr Gilfillan reads in the newspapers the proposal to overcome late night sittings of the Parliament and decides, 'I will get into that act by boycotting the place at midnight; I will walk out and take my mate with me.' Apparently, that is the Hon. Mr Gilfillan's approach to the Parliament.

As far as I am concerned the Parliament, if it is necessary, will sit. As Leader of the House I expect the Democrats to be present and to participate properly in debates. I hope that the cooperation that has occurred in the past will continue to occur, that there will not be a need to sit past midnight, and that we can ensure that that does not happen. I also indicate that I have informally raised certain proposals with the Standing Orders Committee in relation to changes that might be made to Legislative Council Standing Orders to ensure that there are no late night sittings. I expect the Hon. Mr Gilfillan to treat them (in light of his attitude) with some favour. Those matters can be discussed during the recess at meetings of the committee. As I have said before, I would expect that, if the cooperation that has occurred before continues, that will ensure that it is not necessary to sit beyond that time. There may be a need for changes to Standing Orders. I expect the Democrats to participate in that matter, and to approve. As far as the Government is concerned, we will be proceeding with this session and, if the Democrats are not here, that is their problem.

ADDRESS IN REPLY

The PRESIDENT: I remind honourable members that His Excellency the Governor is today receiving other honourable members of the Council and me at 3.30 p.m. for the presentation of the Address in Reply. I therefore ask all honourable members to now accompany me to Government House.

[*Sitting suspended from 3.25 to 4.5 p.m.*]

The PRESIDENT: I report to the Council that, accompanied by honourable members, I proceeded to Government House and there presented to His Excellency the Governor the Address in Reply as adopted by the Council on Thursday 20 February. His Excellency was pleased to reply as follows:

I thank you for your Address in Reply to the speech with which I opened the first session of the Forty-sixth Parliament. I am confident that you will give your best consideration to all matters placed before you. I pray for God's blessing upon your deliberations.

QUESTION ON NOTICE

ASER PROJECT

The Hon. K.T. GRIFFIN (on notice) asked the Attorney-General:

1. Has the certificate of title for the ASER project been issued yet?
2. If yes, what is the reference?
3. If no, why not?
4. Have all leases, subleases and other documentation for the ASER project been completed and signed?
5. Will all leases and subleases be registered?
6. What changes, if any, are there from the arrangements set out in the Heads of Agreement already tabled in Parliament?

The Hon. C.J. SUMNER: In light of the detailed answer provided, I seek leave to have it inserted in *Hansard* without my reading it.

Leave granted.

1. The certificate of title was issued on 21 November 1984.
2. Certificate of Title Register Book 4234 Folio 773.
3. Unnecessary to answer.
4. The Government, ASER Nominees Pty Ltd and other parties entered into a variety of indentures and agreements on 4 December 1985. The documentation is detailed and complex. In so far as property interests are concerned it has the following aspects:
   - *(a)* STA has granted an interim head lease to ASER Nominees Pty Ltd. The interim lease defines the lease area by survey. The interim lease is in the process of being registered on the title.
   - *(b)* When the building works are completed the interim head lease will determine and will be replaced by a final head lease which will define the lease area by monument. The terms of the final lease are agreed and it is exhibited to the documentation. It has not been signed.
   - *(c)* When the building works are completed and the final head lease is executed ASER Nominees Pty Ltd will grant the Government a sublease for the Convention Centre and car parks. The terms of the sublease are agreed and it is exhibited to the documentation. It has not been signed.
   - *(d)* Pending the signing of the subleases, ASER Nominees Pty Ltd will grant licences to the Government once the relevant building works are completed so as to permit the Government to use the Convention Centre and car parks in the interim. The terms of the licences are contained within the signed documentation.

   The following documentation is not yet completed:
   - *(e)* The Government lease of parts of the office tower. The terms of this lease are generally referred to in the documentation that has been signed. However, the detail of the lease is still being negotiated.
   - *(f)* The parties are negotiating a further indenture to clarify a number of minor matters which were left outstanding in the documentation which was signed on 4 December 1985.
5. What changes, if any, are there from the arrangements set out in the Heads of Agreement?

In general terms the arrangements set out in the documentation merely detail and expand upon the Heads of Agreement. There are a number of matters where later negotiations and developments have resulted in agreement upon terms that considerably expand the arrangements in the Heads of Agreement, for example:

(a) The Government has an option to renew the subleases of the Convention Centre and car parks. The renewed subleases will be at a nominal rental.

(b) The arrangements respecting 'public areas' have been considerably expanded. In essence, the Government is responsible for the day-to-day maintenance of the public areas. The Government will be responsible for 40 per cent of the cost of structural maintenance or renewal of such areas and ASER Nominees Pty Ltd will bear the remainder of such costs. Special arrangements have been made in respect of some of the public facilities, for example, the ventilation system for STA and the vibration isolation system.

There are a number of similar matters contained within the documentation.

SELECT COMMITTEE ON DISPOSAL OF HUMAN REMAINS IN SOUTH AUSTRALIA

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

1. That a select committee of the Legislative Council be appointed to inquire into and report upon the disposal of human remains in South Australia and in particular to consider the recommendations of a report entitled 'Disposal of Human Remains in South Australia'.

2. That in the event of a Select Committee being appointed, it consist of four members and the quorum of members necessary to be present at all meetings of the Committee be fixed at three members and that Standing Order No. 389 be so far suspended as to enable the Chairman of the Select Committee to have a deliberative vote only:

3. That this Council permits the Select Committee to authorise the disclosure or publication as it thinks fit of any evidence presented to the Committee prior to such evidence being reported to Council:

4. That the evidence taken by the Select Committee on Disposal of Human Remains in South Australia, appointed on 8 August 1985, be referred to the Committee.

Honourable members will recall that during the last Parliament a select committee of the Legislative Council was appointed to inquire into and report upon the disposal of human remains in South Australia and in particular to consider the recommendations of a report prepared within the Attorney-General's Department on the disposal of human remains in South Australia. There was input from a number of people in Government including the Coroner, the police and people outside Government, for example funeral directors.

The committee has met on a number of occasions and received evidence. I commend to the Council the re-establishment of the committee so that it can conclude its work and report by the time of the resumption of the sittings of Parliament in July or August.

Motion carried.

The Council appointed a select committee consisting of the Hons G.L. Bruce, Anne Levy, R.I. Lucas, and R.J. Ritson; the committee to have power to send for persons, papers and records, and to adjourn from place to place; to sit during the recess; and to report on the first day of the next session.

WORKERS REHABILITATION AND COMPENSATION BILL

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

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

That this Bill be now read a second time.

As this matter has been debated in another place and the second reading explanation has been made available to members opposite, I seek leave to have the explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

Whenever the subject of workers compensation is discussed there is one thing that has the agreement of all parties and that is the need for reform. Over the four years between 1980 and 1984 workers compensation premiums in Australia increased by approximately 160 per cent. To make matters worse, these increases occurred when industry could least afford it. Since then, premium levels have remained reasonably constant but it is clear from the last report of the Federal Insurance Commissioner that further significant increases are inevitable.

The Commissioner's report reveals that many insurance companies have continued to make massive underwriting losses on their workers compensation business. The recent departure of Royal Insurance from the workers compensation field is a good example of the current pressures that exist within the insurance industry. Because of the need of insurance companies to recoup their underwriting losses, employers in this State are facing further crippling increases in premiums. A similar situation arose in the late 1970s when insurance companies entered into a discount war that resulted in heavy underwriting losses. The massive escalation in premiums that followed in the years 1980 to 1983 was a direct result of this destructive discount war. The insurance industry has a reputation for being the most volatile of the financial sectors and appears to operate on a regular five year cycle of boom and bust. Once again this economically destabilising pattern is in danger of repeating itself and it is patently clear that a further round of premium hikes lies just around the corner unless decisive action is taken to reform the system.

There are of course other pressing reasons both social and economic for undertaking these much needed reforms. Victoria has recently introduced its 'work care' scheme that has reduced premiums in that State by $600 million per annum. The new Victorian accident compensation commission has estimated that the reforms have cut the premiums in Victoria from an average of 4.81 per cent of gross earnings to 2.26 per cent, a drop of over 50 per cent. If we do not take similar action in this State our competitive position will be severely eroded.

This Bill addresses the critical problems that South Australian industry now faces. It seeks to provide for significant reductions in current premium levels and to introduce greater stability in the setting of future premiums. The Bill also proposes a major revision of the benefits paid to injured workers. It seeks to overcome the current inequitable system where adequate compensation depends on a worker having to prove negligence under the common law. The prime emphasis under this Bill is to compensate injured workers according to their needs and not on a basis of having to prove fault.

This Bill is the culmination of a process of reform that commenced as far back as 1978 when the then Minister of Labour, Jack Wright, established a tripartite committee under the chairmanship of Des Byrne to examine and report on a more effective means of rehabilitating and compensating persons injured at work. The Byrne committee, as it was called, presented its report in 1980 and made recommendations which were of a far reaching nature. The members of the committee argued for a complete transformation of the workers compensation system and recommended the establishment of a sole insurer to replace the multi insurer system.

When the Byrne report was released the pressures on premiums were only just emerging, but between the years 1979-80 and 1982-83, average premiums in South Australia doubled. Despite these dramatic increases, the then Tonkin Liberal Government lacked the willpower to implement the major recommendations of the Byrne report and made only cosmetic changes to the existing system. On Labor's return to office in late 1982 one of the first actions taken by Jack Wright was to revive the Byrne Committee report and call for fresh submissions.

As a result it became immediately clear that the issue of workers compensation reform was very much alive. To enable a full airing of the views for and against reform, the 'new directions' conference was organised in June. That conference, which included speakers of international repute such as Professor Terry Ison of Canada and Justice Owen Woodhouse of New Zealand, was important in bringing into focus the complex issues involved.

In its review of this matter the Government recognised early in the piece that there were basically only two major parties involved—the employers who were paying escalating premiums and incurring the losses, and the workers who were being injured at work and receiving inadequate compensation. A conscious decision was therefore made to closely involve representatives of both these major parties in the formulation of detailed proposals for reform.

Following the 'new directions' conference work was commenced on the preparation of those detailed proposals having regard to the Byrne committee recommendations, overseas precedents in Canada and New Zealand, and the single insurer system that has been successfully operating in Queensland since 1916. In August 1985 the Government released a white paper which outlined the Government's proposals for workers compensation reform. The release of the white paper generated a substantial number of submissions from a wide range of groups. As a result of those submissions it became obvious that a number of refinements needed to be made to the white paper proposals and these have been incorporated in this Bill.

In the final result it has not been possible to reach agreement on every item contained in this Bill. Given the complexity of the subject matter and the differing interests involved, that should hardly be surprising. Nonetheless, it is important to note that there are major areas of agreement. In particular, there is general support for: greater emphasis to be given to the rehabilitation of injured workers; a sole authority to be established and controlled on a tripartite basis; the retention of self insurance; the payment of the first week's wages to be by the employer; the new scheme to be run on a funded basis; and an administrative system of settling disputes to replace the legal adversary system.

The need for improvements in the area of rehabilitation is one of the major concerns of this Bill. Under the current system workers who have previously received compensation find it difficult to get new employment because of insurance industry practices of loading the premiums of employers who take on such workers. These practices and other disincentives to rehabilitation, such as the lengthy delays in the settlement of disputed claims, will be tackled under the provisions of this Bill.

The spreading of the costs of so-called secondary disabilities will eliminate the disincentive to employ previously injured workers. The ability of the corporation to reduce the premiums of employers who assist in the rehabilitation of injured workers and who provide alternative duties, will also act as a positive incentive.

In addition, the Bill provides for a mechanism whereby the benefits payable to injured workers can be suspended or reduced where the worker unreasonably fails to cooperate in rehabilitation programs. It is believed that the combination of all these measures, together with the much reduced role of the court system and the common law will assist in the early return to work of injured workers. Whilst it has not been possible to cost the savings that will flow from the effects of these rehabilitation measures, the Government believes they will be substantial.

The creation of the sole authority to operate along corporate lines on a non-profit basis is central to the reforms and to the achievement of real cost savings. The corporation is to have an 11 person board with four representatives from the unions and four members representing employers. To ensure that the different employer interests have a voice, it is proposed that of the four employer representatives on the board, one will be representative of the interests of small business, and another will represent self insurers. The concept of self insurance is to be retained under the new legislation but exemption will be subject to greater scrutiny.

The general support that exists for the establishment of a sole authority is of great significance. The insurance industry has been given every opportunity to set its house in order and to put forward viable alternative proposals. It is clear, however, that the insurance industry's uncosted proposals would not lead to significant savings and would, if anything, further concentrate the control of the industry in the hands of the top five insurance companies. The Government believes that there are no credible alternatives to the course it has chosen. The only alternative would be to leave the system to drift along in its present form. The Government believes such a situation would be disastrous to the State's economy.

In 1985 when the Government released its white paper a number of major employer organisations, including the Chamber of Commerce and Industry and the Metal Industries Association, indicated support for the general thrust of the Government's reforms. It is therefore important to recognise that this Bill largely mirrors what was contained in the white paper. The only changes made of a significant nature and contained in this Bill relate to the improvements made in the proposed levels of benefit, in particular changes in the lump sums for non-economic loss and the proposal to retain the residual common law right for non-economic loss. The Government has had these changes costed and estimates the extra cost to be no more than approximately 3 to 5 per cent of premiums.

Whilst employer concerns about these departures from the white paper are understandable, it is important to put the changes in their proper perspective. The Government believes on the basis of independent costings that the improved benefits for workers are affordable, and that significant savings in premiums will be achievable. The revised levels of benefits are on broadly comparable terms to those under the victorian 'Work Care' scheme where the average cut in premiums exceeds 50 per cent.

The Government's proposals to improve the compensation package for injured workers are in any case long overdue. The maximum levels of benefit payable under the current Act have been seriously eroded by inflation and are quite arbitrary and callous in their cut off effects on injured workers.

Under the current Act, for example, it is possible for a worker just out of school, who has been rendered totally and permanently incapacitated as a result of a work related injury, to be on weekly benefits for a few months and then limited to a maximum payout of $50 000 for a lifetime's loss of earnings and complete loss of bodily function. No fair minded person could possibly support the continuation of such a scandalous system. It has long been recognized that the current system seriously undercompensates some, and in some cases, overcompensates others.

The Government's proposals are therefore geared to removing these inequities by providing a fair level of long term income security to injured workers. The system of benefits will be determined primarily on a no fault basis. The retention of the residual right to sue for non economic loss represents approximately 25 per cent of current common law settlements.

Under this bill any statutory lump sum paid for non economic loss must be deducted from any residual common law settlement. Because of this offsetting of the two amounts it is believed that very few such common law actions will be taken. Only in extreme cases of pain or suffering or major loss of social amenity, would extra sums be achievable through the retention of this residual common law right.

It is recognized that no system can be designed that will ever fully compensate injured workers because many losses such as the loss of promotional opportunities, are simply not quantifiable. The Government recognises that a balance be struck between the legitimate rights of workers to fair levels of compensation and the economic ability of industry to pay the cost of that compensation. Because of the need to strike this balance the government recognizes the question of costs is central to the proposals and detailed costings have been undertaken using private industry insurance data.

The Government's independent costing study was undertaken by Dr Trevor Mules of the Faculty of Economics, Adelaide University, and Mr Ted Fedorovich of the Department of Labour. Their costing study reveals that the estimated real net savings that will accrue to South Australian industry will be in excess of 30 per cent. This figure includes the removal of the 8 per cent stamp duty which is tied to the introduction of these reforms. If account is also taken of the first week's liability being transferred to employers the actual cut in premiums is estimated to exceed 40 per cent.

On the latest year's figures available, the total premiums collected by insurance companies in South Australia amounted to approximately $170 million per annum. On the basis of these figures the estimated real savings of the Government reforms can be expected to exceed $50 million per annum. Accordingly, if this legislation is delayed or obstructed the yearly cost to employers can be measured in terms of tens of millions of dollars.

Also at stake is the investment in this State of the enormous funds that will be generated as surplus to current requirements. The investment of these funds has over the years been a source of considerable income to insurance companies and is the reason notwithstanding the current losses being made by some companies, why the insurance industry is fighting to hold on to the business. It is estimated that over a period of five years these surplus funds will build up to a pool of approximately $300 million.

In the past, most of these surplus funds have been invested outside the State on the basis of decisions made interstate and overseas. This Bill provides that preference in the investment of these surplus funds is to be given to investment in this State unless higher rates of return can be achieved elsewhere. This will ensure that worthwhile South Australian projects are not overlooked and that the workers compensation system can become a major generator of jobs within the State.

The Government accepts that the validity of the independent costings is a matter of central importance. The South Australian Employers Federation has commissioned its own independent costing using insurance industry data that has produced figures which are different to the costings commissioned by the Government. A comparison of the two sets of costings shows that most of the figures of estimated savings are in fact very close.

The major difference appears to be over the level of profit made by insurance companies. The Government's costings estimated that insurance companies were making on average a 9 per cent underwriting profit or 15 per cent profit after taking account of returns on investment. A further study by independent actuarial expert Mr J.R. Cumpston, found that the profits of private sector general insurers from 1975 to 1984 varied between −3 per cent and 13 per cent of premiums and for the 10 years averaged 7 per cent. This average figure does not take account of capital gains. Mr Cumpston estimates the required profits of private insurers to be 14 per cent of premiums including returns on investments. Mr Cumpston's estimate of needed profits corroborates the findings of the Mules/Fedorovich report on this question.

Mr Cumpston estimated that the long-term saving on the replacement of the private insurance industry by a central worker's compensation scheme would be 20 per cent of premiums compared to the Mules/Fedorovich estimate of 25 per cent savings. Mr Cumpston's expert actuarial opinion validates the general findings of the Mules/Fedorovich costing study in relation to the substantial savings to be made from a move to a sole insurer.

Whilst arguments may continue on the exact amount of those savings it is clear on the basis of the studies that have been made, that significant savings will be achieved. The Government has made a copy of this report available to the Auditor-General who is currently undertaking a comparison of the Government's costings and the study commissioned by the South Australian Employers Federation. It is not clear at this stage when the Auditor-General's report will be available but he has informed the Government that he recognises the urgency of the matter and that he will make his report as soon as possible.

The provisions of the Bill are as follows:

Clause 1 is formal.

Clause 2 provides for the commencement of the measure.

Clause 3 sets out the definitions required for the purposes of the Bill. A 'worker' is to be defined as a person engaged to work under a contract of service, a person who performs specified public functions (such as a member of Parliament, a judicial or other officer of the Crown, a member of a government instrumentality or a prescribed volunteer) or a self-employed person to whom the protection of the Act has been extended by arrangement with the Corporation. A 'contract of service' includes an employment agreement, an agreement under which a person works for another in prescribed work or work of a prescribed class, an apprenticeship and an arrangement for on-the-job training where the trainee receives remuneration. Several definitions are similar to those appearing in the current Act, although 'spouse' is now to be defined to include a *de facto* spouse if the spouse has been living with the worker for a period of 3 years or if the spouse and the worker have had a child.

Clause 4 is concerned with defining the concept of 'average weekly earnings'. The basic definition is that average weekly earnings are the average amount that a disabled worker could reasonably be expected to have earned had the worker not been disabled. In calculating average weekly earnings, earnings from all forms of employment must be taken into account and earnings over the preceding period of 12 months are to be considered. The average weekly earnings of a contractor are to be determined as if the contractor was performing particular work as an employee, the average weekly earnings of a permanently incapacitated worker under 21 are to be determined as if the worker was 21 and the average weekly earnings of a permanently incapacitated apprentice are to be determined as if the appren-

ticeship had been completed. The earnings of a disabled worker whose earnings capacity has been affected by the disability are to reflect fairly the earnings that could have been earned but for the disability and the earnings of a worker who, although out of work, was predominantly in work for the preceding 18 months are to be determined as if the worker had been in full-time work. Furthermore, average weekly earnings may not be less than any award rate applying to the work and not less than a prescribed minimum amount (which will be of particular relevance to unemployed 'volunteers' under the Act and workers in part-time employment) and may not exceed 2.5 times the State average weekly earnings. Average weekly earnings are not to include certain prescribed allowances including overtime (other than regular overtime) and site allowances.

Clause 5 provides that the Act will bind the Crown.

Clause 6 prescribes the territorial operation of the Act.

Clause 7 constitutes the Workers Rehabilitation and Compensation Corporation.

Clause 8 provides that the Corporation is to be managed by a board of 11 members. The presiding member is to be a person nominated by the Minister. Four members are to be appointed after consultation with the United Trades and Labor Council, three after consultation with employer associations and one after consultation with the Employer-managed Compensation Association Incorporated. One member is to be appointed on account of expertise in the field of rehabilitation and the General Manager will *ex officio* be a member.

Clause 9 sets out the terms and conditions of office. An appointment to the board may be for a term of up to 5 years; deputy members may be appointed; members may be removed from office in appropriate circumstances.

Clause 10 provides that members of the board may be entitled to fees, allowances and expenses (paid from the Compensation Fund).

Clause 11 relates to proceedings before the board. At least one meeting must be held in every month.

Clause 12 provides for the validity of acts of the board and the personal immunity of its members.

Clause 13 requires a member of the board to disclose a personal interest in any contract or other matter before the board.

Clause 14 sets out the proposed functions of the Corporation. The Corporation is to undertake, subject to the direction of the Minister, the enforcement and administration of the Act, manage funds derived under the Act, keep the operation of the Act under review and make appropriate recommendations for reform, collect data and undertake research and perform other prescribed functions. The Corporation will be able to operate accounts and invest money, deal with property and establish offices.

Clause 15 requires the Corporation to have due regard to differences in the ethnic background of workers.

Clause 16 is a delegation power.

Clause 17 requires the Corporation to keep proper accounts. The Corporation is required to ensure the proper collection of moneys payable under the Act, ensure the authorisation of liabilities and expenditure, ensure efficiency and economy in its operations and develop proper budgeting, accounting and audit systems.

Clause 18 provides for an annual audit by the Auditor-General.

Clause 19 requires the Corporation to provide an annual report.

Clause 20 relates to the office of General Manager and Deputy General Manager. The General Manager is to be the chief executive officer of the Corporation and responsible to it for the efficient management of its business and staff.

Clause 21. provides for the staff of the Corporation.

Clause 22 ensure continuity of service where staff are from the Public Service, S.G.I.C. and other prescribed employment.

Clause 23 allows the Corporation to enter into arrangements with the Superannuation Board.

Clause 24 provides that the Government Management and Employment Act is not to apply in relation to the officers of the Corporation.

Clause 25 provides for the use of public facilities.

Rehabilitation

Clause 26 is the leading provision on rehabilitation. The Corporation is to be required to establish or approve rehabilitation on programs so that disabled workers may achieve the highest possible level of physical and mental recovery, where possible be restored to the workforce and participate in the social life of the community. Rehabilitation programs are to provide for a comprehensive range of matters including worker assessments, advisory services, help in obtaining or retaining employment, assistance in training or retraining, accommodation and travel assistance, special equipment or care, rehabilitation research and the support of other organisations that assist disabled workers.

Clause 27 allows the Corporation to arrange for the provision of rehabilitation facilities and sevices and, with the approval of the Minister, to establish clinics and facilities.

Clause 28 provides for the appointment and functions of rehabilitation advisers.

Clause 29 allows the Corporation to assist employers to establish programs designed to prevent or reduce the incidence of compensable disabilities.

Compensation

Clause 30 is one of the more significant provisions of the Bill as it defines the concept of compensable disability. By virtue of this section, a disability is generally compensable if it arises out of or in the course of employment. The employment of a worker may include various journeys, attendances and breaks associated with work; journeys between home and work are to encompass travel from or up to land appurtenant to the home unless the Corporation determines that in the circumstances of a particular case it is fair that some other point within the land be used.

Clause 31 is an evidentiary provision to the effect that if a worker who works in scheduled employment suffers a scheduled disability it shall be presumed, in the absence of proof to the contrary, that the disability arose out of or in the course of employment.

Clause 32 provides for compensation for costs reasonably incurred by a worker in consequence of having suffered a compensable disability.

Clause 33 requires an employer to transport a worker who has been injured to a hospital or medical expert for initial treatment.

Clause 34 provides for compensation for damage to personal property that occurs contemporaneously with the occurrence of a compensable disability.

Clause 35 provides for weekly payments of compensation to a worker who is incapacitated for work. A worker who is totally incapacitated for work will receive an amount equal to his notional weekly earnings and a worker who is partially incapacitated for work will receive the difference between his notional weekly earnings and that amount that the worker is earning or could earn in suitable employment. A worker's 'notional weekly earnings' are his average earnings or, if an adjustment has been made on a review under the Act, the average weekly earnings as adjusted. A partial incapacity may be deemed to be a total incapacity unless it is established that suitable employment for which the worker is fit is reasonably available. However, if an incapacity endures for more than 3 years, the partial/deemed total provision ceases to apply and an pension is reduced to the

difference between what the worker can earn in suitable employment (taking into account certain prescribed factors) and 85 per cent of notional weekly earnings. Weekly payments cease in any event once the worker is eligible to receive an age pension from the Commonwealth Government or reaches normal retiring age (whichever is later).

Clause 36 regulates the discontinuance or reduction of weekly payments. The Corporation must give a worker 21 days notice of a decision to discontinue or reduce payment on the basis that a worker's incapacity for work has ceased or lessened or that the worker has been unreasonable in failing to undergo a medical examination.

Clause 37 allows the Corporation to suspend weekly payments to a disabled worker where it considers that the worker has failed or refused to submit to proper treatment or to participate in a rehabilitation program.

Clause 38 relates to the review of weekly payments. A worker or employer may request a review at six monthly intervals and the Corporation is to carry out an annual review in any event. On a review the Corporation may make adjustments to take into account changes in the worker's incapacity for work.

Clause 39 provides for the economic adjustment of pensions by the Corporation. An adjustment will occur annually and in the first three years of benefits, account is to be taken of changes in the rates of remuneration payable to workers generally or to workers in the kind of employment from which the disability arose. Thereafter adjustment will be made in line with C.P.I. changes.

Clause 40 ensures that weekly payments are not affected by annual leave or long service leave entitlements and equally that periods of incapacity do not affect a worker's entitlement to such leave. However, a worker who is incapacitated for 52 weeks or more shall be deemed, subject to receiving any leave loading, to have received annual leave. Provision is also made for workers whose annual leave entitlements are governed by another law.

Clause 41 regulates a worker's entitlement to weekly payments if the worker is absent from Australia. The Corporation's prime concerns are to ensure that a worker's rehabilitation is not impaired and to be able to ascertain the worker's whereabouts, medical progress and on-going earning capacity.

Clause 42 allows in certain circumstances a commutation of the liability to make weekly payments to a disabled worker. However, only a liability to make payments for a permanent incapacity is commutable. Furthermore, the worker must have already received compensation for non-economic loss and in any event a worker cannot receive more than a prescribed maximum.

Clause 43 prescribes the compensation payable in respect of a permanent disability on account of non-economic loss suffered by a worker. The amount of compensation is to be determined by reference to a scheduled table. The Corporation is to make an appropriate determination if the particular disability does not appear in the schedule. The maximum amount payable under this section in respect of an entitlement is $60 000 (indexed to the C.P.I.).

Clause 44 prescribes the compensation payable on the death of a worker to a spouse and dependants. A spouse who was cohabiting with the worker is entitled to a lump sum payment and a dependent spouse is entitled to a pension of up to 50 per cent of the notional weekly earnings of the worker. A dependent child who is orphaned may receive up to 25 per cent of notional weekly earnings and other dependent children up to 12½ per cent. The amount payable to other dependent relatives will be determined by reference to the extent of the dependency, the relative's earning capacity and means, and the other benefits that have been provided under the Act in respect of the worker's death. Compensation may also be paid to a spouse or child who, although not a dependant at the time of the worker's death, suffers a change in circumstances that may, if the worker had survived, have resulted in the spouse or child becoming dependent on the worker. Payments cannot be made under this section beyond the date that, assuming the worker had survived but been permanently incapacitated, the worker would have ceased to have been entitled to compensation under the Act. Payments made under this section in any event cannot exceed in total what would have been the worker's entitlement to a weekly pension had the worker survived.

Clause 45 provides for the review of weekly payments being made to a dependant of a deceased worker. A review will take into account changes in the person's income or earnings capacity; annual reviews will take into account changes in the C.P.I.

Clause 46 determines liability under the Act. Of particular note is that an employer is to be primarily liable for the compensation payable for the first week of incapacity. An employer who is liable to make a payment pursuant to this provision shall make the payment within 14 days of the claim or, in case of a dispute, immediately upon the dispute being determined.

Clause 47 provides for the imposition of interest at a prescribed rate on amounts in arrears.

Clause 48 allows the Corporation to make a payment if an employer fails to do so. In the event of the Corporation making such a payment, it may recover from the employer as a debt the amount of the payment, an administrative fee and a penalty.

Clause 49 allows the Corporation, at the request of an employer, to assume a liability of the employer. The Corporation may of its own initiative undertake a liability where a worker has been incapacitated for a period of 3 years or more. One application of this provision will be to allow the Corporation to take over long-term liabilities of exempt employers to permanently incapacitated workers.

Clause 50 makes the Corporation the insurer of last resort. In the event of an exempt employer becoming insolvent an amount equal to the liabilities of the Corporation by virtue of this provision will be able to be claimed in a winding up of the exempt employer.

Clause 51 requires the giving of appropriate notice on the occurrence of a compensable disability.

Clause 52 sets out the procedure for making a claim under the Act.

Clause 53 sets out the procedures to be followed by the Corporation on the making of a claim. The Corporation may require a worker to undergo a medical examination. The Corporation is to be required to determine claims as expeditiously as reasonably as is practicable and to endeavour to determine the claim within 10 business days. Notice of the Corporation's decision on a claim must be given to the claimant and any interested employer.

Clause 54 places restrictions on the actions that may be taken against employers on account of disabilities suffered by their workers. In particular, an employer will only be liable to pay damages for non-economic loss or on account of an action for solatium. Any award of a court in an action that is taken independently of the Act must take into account the person's entitlement to a lump sum payment in respect of non-economic loss under the Act. In addition, if the worker has a right of action against a third party then any person who has paid the worker compensation under this Act is subrogated to the right of action to the extent of the payment.

Clause 55 prevents recovery of compensation under both this Act and the law of the Commonwealth or of another State or country.

Clause 56 provides that a disability suffered on account of misconduct on the part of the worker is generally compensable.

Clause 57 provides that the Merchant Shipping Act 1894 of the United Kingdom cannot limit the amount of compensation payable to a worker on a ship.

Clause 58 makes special provision for sportsmen in a manner that is similar to section 89a of the present Act.

Funding of the Statutory Scheme

Clause 59 requires employers to register with the Corporation (subject to certain exceptions).

Clause 60 allows certain employers to apply to the Corporation for registration as exempt employers. An employer may apply under this provision if it is a body corporate and it employs more than a prescribed number of workers, or is a member of a group of related corporations or local government corporations. In determining whether to grant exempt status to an employer, the Corporation must take into account various matters including the ability of the employer to meet its liabilities, its resources for determining claims, its safety record, its rehabilitation record and the views of any registered association that has an interest in the matter. The Corporation is empowered to grant registration subject to such terms and conditions as it may determine or as may be prescribed by regulation. Such conditions may require, for example, the lodgment of security. Registration may only have effect for a period of three years and the Corporation may revoke a registration if a term or condition of registration is broken or ignored.

Clause 61 provides that the Crown and agencies and instrumentalities of the Crown are to be deemed to be exempt employers, subject to exemptions made by proclamation.

Clause 62 prescribes the procedure to be followed in applying for registration as an employer, exempt employer or group of exempt employers.

Clause 63 is a delegation provision to enable exempt employers to exercise appropriate powers, functions and discretions under the Act in relation to their workers. The section allows the Corporation to divest itself of certain functions and transfers them to the exempt employer. Provision is made for the preservation of a worker's rights to review and appeal.

Clause 64 provides for the constitution of a Compensation Fund. The Fund will be comprised of all moneys received under the Act. It is to be applied towards paying compensation for which the Corporation is liable under the Act and all other costs of the Corporation. Moneys standing to the credit of the Fund may be invested and the returns credited to the Fund. Investments should be made so as to promote the economy of the State. Until there are sufficient funds in the Fund for the purposes of the Act, the Treasurer may make loans to the Corporation on terms and conditions determined by the Treasurer.

Clause 65 empowers the Corporation to impose levies on employers. Levies are to be applied on a class by class basis and made against payrolls.

Clause 66 enjoins the Corporation in fixing levies to have as the paramount purpose the need to establish and maintain sufficient funds in order to be able to meet its liabilities over the particular assessment period, to establish reserves and to make up previous insufficiencies in the Compensation Fund. Supplementary levies can also be imposed in exceptional circumstances.

Clause 67 relates to the spreading of certain costs by providing that *(a)* all administrative expenditure and *(b)* all costs associated with unrepresentative disabilities and secondary disabilities are to be spread across all payrolls on a uniform basis.

Clause 68 allows the Corporation to adjust the amount payable by a particular employer. A remission of levy may be made if the employer has taken exceptional measures to reduce the incidence of work-related traumas, has a good safety record or provides approved rehabilitation services. A supplementary levy may be imposed if the employer has failed to take adequate measures to reduce the incidence of work-related traumas or has a poor safety record.

Clause 69 provides for the imposition of a special levy on exempt employers. The levy is to be fixed with a view to raising a fair contribution towards the administrative expenses of the Corporation, the costs of rehabilitation and the amount required to meet the liabilities of insolvent exempt employers. A remission may occur if the exempt employer provides approved rehabilitation services.

Clause 70 relates to the provision of returns by employers. A return must include an estimate of the remuneration that the employer will pay to workers during the relevant assessment period and be accompanied by any amount underpaid from the previous period.

Clause 71 provides that on the receipt of a return the Corporation may assess the amount of levy payable by the employer and issue an assessment notice. The Corporation may make its own estimate of a payroll if it has reasonable grounds to believe that the employer's estimate was erroneous.

Clause 72 provides for the recovery of levies and fines. The Corporation will be able to make its own estimate against an employer if the employer fails to furnish a return. Furthermore, a fine of up to three times the amount assessed will be payable.

Clause 73 provides penalties for late payments of levies.

Clause 74 requires the Corporation to keep individual experience accounts for each employer.

Clause 75 requires an employer to keep proper records in order that returns may be completed in accordance with the Act.

Clause 76 requires a registered employer to notify the Corporation if the employer is ceasing to employ workers.

Clause 77 provides for proof of registration.

Reviews and Appeals

Clause 78 provides for the appointment of Review Officers.

Clause 79 establishes a Workers Compensation Appeal Tribunal.

Clause 80 provides for the membership of the Tribunal, being a President, Deputy President and ordinary members. Presidential members are to be nominated after consultation with the U.T.L.C. and employer associations and must be legal practitioners of at least seven years standing. Ordinary members are to be nominated after consultation with the U.T.L.C. or employer associations.

Clause 81 provides that for the purpose of any proceedings the Tribunal is to be constituted by the President or a Deputy President, one member selected from one group and one member selected from the other.

Clause 82 provides for the personal immunity of members.

Clause 83 provides for the making of rules relating to the practice and procedure of the Tribunal.

Clause 84 provides for the appointment of Medical Review Panels.

Clause 85 enacts that a panel shall be constituted in relation to particular proceedings, or proceedings of a particular class, by the Minister. Panels are to be established as specialised panels in particular classes of disabilities. The

panels are to be constituted after consultation with the U.T.L.C. and employer associations.

Clause 86 provides for the procedures of panels.

Clause 87 provides for the personal immunity of members of panels.

Clause 88 provides for the appointment of a Registrar as chief executive of the Tribunal and the Medical Review Panels, and for the appointment of associated staff.

Clause 89 directs review authorities in proceedings to act according to equity, good conscience and the substantial merits of the particular case. Review authorities will not be bound by the rules of evidence.

Clause 90 requires reasonable notice to be given to the parties to proceedings before a review authority of the time and place of any hearing and requires that each party be given a reasonable opportunity to call or give evidence, examine and cross-examine witnesses and make submissions.

Clause 91 sets out the various powers of a review authority, including the power to issue a summons and to compel a witness to answer questions. A Medical Review Panel may require a worker to undergo a medical examination by the panel, a member of the panel or another medical specialist.

Clause 92 provides for the payment of witness fees.

Clause 93 allows a party to be represented in proceedings before a review authority. Costs may be awarded in certain cases where a party is represented by counsel or an officer of a registered association. Special provision is made for costs if proceedings are brought frivolously or vexatiously.

Clause 94 requires a review authority at the conclusion of a review to furnish the parties to proceedings with a statement containing perscribed matters.

Clause 95 protects the confidentiality of proceedings before a Medical Review Panel.

Clause 96 sets out the rights of review under the Act. In particular, a person who is directly affected by a decision made on a claim for compensation, made in relation to the provision of a rehabilitation program, made for the variation, suspension or discontinuance of weekly payments, made on the imposition of a levy or assessment, or made on an application for extension of time under the clause, may apply for a review. The Corporation is, at first instance, to attempt to resolve an application for review by agreement. Unresolved matters are to be referred to Review Officers.

Clause 97 sets out the functions of a Review Officer. A Review Officer must make a fresh determination of the matter and may refer a medical question to a Medical Review Panel. The decision of a Review Officer takes effect in substitution for that of the Corporation.

Clause 98 provides that the Corporation or a dissatisfied party may appeal to the Tribunal or on a medical question, to a Medical Review Panel, against a decision of a Review Officer. The appeal is to be conducted as a rehearing. The Tribunal may in turn refer a medical question to a Medical Review Panel.

Clause 99 provides that the decision of a Medical Review Panel (on a medical question) is final unless the Tribunal, by leave where special reasons are shown, grants an appeal.

Clause 100 allows the Tribunal to state a case on a question of law to the Supreme Court.

Clause 101 allows appeals to the Supreme Court, by leave, on questions of law.

Clause 102 allows the Minister to intervene in proceedings before the Tribunal or Supreme Court where it is thought that intervention is desirable in the public interest.

Clause 103 allows a Review Officer to resolve delays in the determination of claims.

Clause 104 provides that a liability to pay a levy is not suspended pending a review or appeal in relation to the assessment.

Clause 105 allows self-employed persons to apply to the Corporation for the protection of the Act. The Corporation may set various conditions and limitations to the granting of an application.

Clause 106 makes special provision for certain workers who work on or about ships that are covered by special international insurance arrangements.

Clause 107 makes the Corporation the insurer of employers in respect of any liabilities that arise for non-economic loss or solatium on account of workers suffering compensable disabilities.

Clause 108 provides for the making of interim payments of compensation.

Clause 109 entitles a worker's employer to request a report on the medical progress being made by a worker and on the extent of any incapacity.

Clause 110 entitles the employer of a disabled worker to require the Corporation to have the worker undergo a medical examination by a medical expert nominated by the Corporation.

Clause 111 ensures that a worker is provided with a copy of all medical reports.

Clause 112 sets out the various powers of inspectors under the Act.

Clause 113 empowers a rehabilitation adviser to inspect any place of employment of a disabled worker.

Clause 114 is intended to ensure that reasonable confidentiality is maintained in respect of the physical or mental condition of a worker, the personal circumstances of any person and the information furnished by employers in returns.

Clause 115 relates to diseases and disabilities that develop gradually.

Clause 116 provides that compensation payments are not to be affected by *ex gratia* payments, accident insurance or other prescribed payments or benefits.

Clause 117 makes it unlawful for an employer to deduct from the wages of a worker any sum that the employer may be liable for under the Act. A worker must not in any other way be adversely affected by virtue of the fact that an employer may be liable to pay any sum under the Act.

Clause 118 deals with the situation where a worker has been committed to prison.

Clauses 119 and 120 provide for the serviced notices and other documents.

Clause 121 forbids the making of an agreement that purports to exclude, modify or restrict the operation of the Act and renders such an agreement void. A purported waiver of a right conferred by the Act is to be void.

Clause 122 renders unlawful any fraudulent attempt to obtain a benefit under the Act.

Clause 123 makes special provision for the protection of the name 'Work Cover'.

Clause 124 deals with offences under the Act, which are to be disposed of summarily.

Clause 125 exempts the Corporation from the operation of certain provisions of the Stamp Duties Act 1923 relating to annual licences.

Clause 126 is the regulation making power.

Clause 127 provides for the repeal of the Workers Compensation Act 1971.

The first schedule sets out the various transitional provisions required on the commencement of the Act. Special provision is made for the dismantling of the Silicosis Fund and the Statutory Reserve Fund.

The second schedule is relevant to the operation of clause 31.

The third schedule prescribes various permanent disabilities in respect of which prescribed amounts are payable on account of non-economic loss.

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

SUPPLY BILL (No. 1)

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

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

That this Bill be now read a second time.

As this Bill has passed the House of Assembly, I seek leave to have the second reading explanation of the Bill inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

Its purpose is to grant supply for the early months of next financial year. As I explained when introducing the comparable legislation last year, it has been customary in this period of the year for Parliament to consider two Bills for the appropriation of moneys—one in respect of supplementary expenditure for the current financial year and one to grant Supply for next year. However, as was the case last year, appropriation authority already granted by Parliament in respect of 1985-86 seems adequate to meet the financial requirements of the Government through to the end of the financial year barring a major unforeseen event. Although the Government will, of course, be monitoring the situation very closely, it is unlikely that additional appropriation will prove to be necessary.

With one-third of the financial year still to run, however, it would not be appropriate for the Government to seek to make precise forecasts of the final Budget results for 1985-86. We can, however, advise honourable members of some of the factors which will influence actual outcomes this financial year as compared with the Budget estimates.

Recurrent Budget: The Government budgeted for a balanced result on recurrent transactions in 1985-86. Present indications are that the actual outcome will be reasonably close to that budgeted for, or, possibly a little better.

On the receipts side, honourable members will be aware that property values have plateaued, and in some cases fallen slightly which, combined with a decline in the number of transactions, means that stamp duty collections are almost certain to be lower than estimated at budget-time. On the other hand payroll tax collections, interest on funds invested at Treasury and our financial assistance grant from the Commonwealth seem likely to exceed budget. The expected increase in payroll tax is due to a healthy increase in employment in the State. The expectation of an increased Commonwealth grant is due to a revision of the C.P.I. factor in the formula. The net effect of these and other items will probably be a small improvement.

On the expenditure side, the Government is continuing its close monitoring and control procedures. There will inevitably be some variations but generally Departments are working well towards meeting budgetary targets. A review of the cash needs of the State Transport Authority has revealed a budget saving in 1985-86, while the Government's decision to assist in holding down Building Society interest rates is expected to cost the budget approximately $2.3 million in 1985-86. Some savings are occurring in the round sum provisions for wage and salary rate increases and other contingent items. The net effect is again presently expected to be some improvement.

Capital Budget: Honourable members are aware of the particular difficulties involved in making precise predictions about capital spending, as the amounts expended in a particular period can depend on variable factors such as the timing of payments to contractors, progress with construction projects which can be affected by the weather, planning processes and so on. However, present indications are that outlays from the capital side of the budget will be somewhat above the budgeted level of $489 million. This results mainly from three items not included in the budget, namely: funds for the construction of a ship-lift at Port Adelaide which is associated with our bid for the Submarine Project, which has an expected requirement in 1985-86 of $4.5 million; the need, under new Commonwealth-State arrangements for Rural Adjustment, for the State to provide capital funds previously provided by the Commonwealth (but with the Commonwealth still providing an interest rate subsidy); an estimated amount of $6 million as low-interest loans to drought-affected farmers.

These increases are expected to be partly offset by a reduction of $5 million in the funds required by Woods and Forests Department. This has been brought about by an expected improvement in profitability of the Department together with some delays in implementing its works program. Some other relatively minor variations below budget are expected, by and large, to be offset by equally minor variations in the other direction.

Overall Budget Result: In summary, and subject to the qualifications to which I have already referred, the Government expects the outcome on the Consolidated Account in 1985-86 to be satisfactory. It is far too early to make predictions about next financial year, except to say that firm control over expenditures, especially on the recurrent side, will continue to be a key feature of the Government's policy.

Supply Provisions: Turning now to the legislation before us, this Bill provides for the appropriation of $475 million to enable the Public Service of the State to be carried on during the early part of 1986-87. In the absence of special arrangements in the form of the Supply Acts, there would be no Parliamentary authority for appropriations required between the commencement of the new financial year and the date on which assent is given to the main Appropriation Bill. It is customary for the Government to present two Supply Bills each year, the first covering estimated expenditure during July and August and the second covering the remainder of the period prior to the Appropriation Bill becoming law. The Government believes this Bill should suffice until the latter part of August when it will be necessary to introduce a second Bill.

Clauses 1 and 2 are formal.

Clause 3 provides for the issue and application of up to $475 million.

Clause 4 imposes limitations on the issue and application of this amount.

Clause 5 provides the normal borrowing powers for the capital works program and for temporary purposes, if required.

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

DAYLIGHT SAVING ACT AMENDMENT BILL

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

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

That this Bill be now read a second time.

The visit of Her Majesty Queen Elizabeth and His Royal Highness Prince Philip and the staging of the Moomba Festival in March 1986, have prompted the Victorian Pre-

mier Mr Cain to seek an extension of the period of daylight saving for a further two weeks, until 16 March 1986. The suggestion is seen as valuable to the arrangements for Jubilee 150 Celebrations, the Royal Visit and some of the Festival of Arts activities in South Australia. The Premier of New South Wales has indicated his support for the proposal.

The Daylight Saving Act 1971-72 does not contain any provision which would permit a variation in the period of daylight saving. Accordingly, a legislative amendment is necessary in order to accede to the Victorian Premier's suggestion. A lack of close co-ordination would lead to temporary border anomalies and cause airline and other services between major cities to be disrupted. In the 1982 referendum conducted on the subject approximately three quarters of the population supported daylight saving. Acceptance of the proposal should receive early and wide publicity so as to provide the community with as substantial a period of notice as possible before implementation. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal.

Clause 2 amends section 2 of the principal Act by the insertion of a definition. 'Prescribed period' is defined in paragraph *(a)* as the period from 2 a.m. South Australian standard time in the last Sunday in October of each year to 2 a.m. South Australian standard time on the first Sunday in the following March, if no period is prescribed by regulation for the observance of South Australian summer time, and in paragraph *(b)* as the period so prescribed if a period is prescribed by regulation.

Clause 3 repeals section 3 and 4 of the principal Act and substitutes sections 3, 3a and 4.

Section 3 provides in subsection (1) that South Australian summer time shall be an hour in advance of South Australian standard time. Subsection (2) provides that notwithstanding anything in the Standard Time Act, 1898, South Australian summer time shall be observed throughout the State during the prescribed period. Under section 3a the period for observance of South Australian summer time may be prescribed by regulation.

Subsection (1) of section 4 provides that a reference to time in any instrument, contract, stipulation or direction in relation to the prescribed period shall, unless the contrary intention is expressed, be taken to be a reference to South Australian summer time.

Under subsection (2) instrument is defined in section 4 to mean—

(a) an act or an instrument made in pursuance to statutory powers;

(b) a proclamation or order in Council;

(c) a judgment, order, judicial direction or process;

(d) an order, direction or notice given in pursuance of an executive or administrative authority;

or

(e) a deed contract or other instrument.

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

SECOND-HAND MOTOR VEHICLES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 February. Page 277.)

The Hon. K.T. GRIFFIN: The Opposition supports this Bill. It does two things: it provides for the widening of the scope of the compensation fund, established under the Act, to provide for compensation where a dealer, on reason of death, disappearance or insolvency, has not passed on to a consumer moneys received by the dealer through a consignment sale. The second objective of the Bill is for it to operate retrospectively from 1 January 1986, and to ensure that those dealers who were licensed under the old Act by the Second-hand Vehicle Dealers Licensing Board but whose applications for renewal had not been processed at the final meeting of the board on 12 December 1985 shall automatically have their licences renewed.

Otherwise it would require fresh applications for licensing under the new Act and would result in considerable hardship to those who had a licence under the old Act but by reason of difficulties with the transitional provisions in the new Act would not have their licences automatically renewed. In his second reading explanation the Attorney-General indicates that that was never intended. Accordingly, the legislation before us seeks to ensure that the hardship does not occur and that the licences are renewed under the new Act by force of this Bill. All interested parties, including the RAA and the Automobile Chamber of Commerce, have indicated that they have no opposition to the Bill. I indicate the support of the Liberal Party to this proposition.

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

WORKERS REHABILITATION AND COMPENSATION BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 478.)

The Hon. K.T. GRIFFIN: The Liberal Party is fundamentally opposed to the Bill. The reasons for that fundamental opposition will become clear as I develop my second reading contribution. Our view is that the debate should not proceed until the Auditor-General's report has become available. All indications are that that is not likely to occur much before next week, if then. As the Government desires to proceed with the legislation, we are prepared to cooperate to the extent of making our contributions to the second reading debate and to facilitate that part of the debate on this Bill. Notwithstanding our willingness to proceed, it does not in any way alter our basic objection to the Bill and our view that it is inappropriate to proceed even with that debate without receiving the Auditor-General's report.

When the debate at the second reading stage has concluded I indicate that we will oppose the second reading. If the numbers are sufficient to allow the second reading to be carried, at that point we will oppose proceeding beyond clause 1 of the Committee stage of consideration of the Bill until the Auditor-General's report has been received. It is fundamentally a problem if, on the one hand there is an Auditor-General's report requested on matters as basic as the costing of the propositions in the Bill and yet, on the other hand, that report has not been received at the time we come to Committee consideration of the various clauses, which is the point at which final determinations will have to be made about each clause and about each issue.

I hope that honourable members of the Australian Democrats in this Chamber will join with me and with the Liberal Opposition to ensure that the Bill does not pass beyond clause 1 at the Committee stage until the Auditor-General's report is received, and then when there has been adequate time to consider that report. If the report is not ready even at the end of next week and we are not able to

debate the clauses at the Committee stage, the Liberal Opposition is prepared to return at some later time when that report is available and a reasonable opportunity has been given for us to consider it so that the detailed clauses can be debated in this Chamber. If necessary, and if the report is not available, we would be prepared to have the matter deferred until July at the commencement of the next session. Under Standing Orders that will not require the Government to reintroduce the Bill in the House of Assembly and go through all of the debate which has occurred in that Chamber or even to go through the second reading debate again in this Chamber.

Under Standing Orders it would be sufficient to move a motion to reinstate the Bill to the Notice Paper so that the matter can be expedited in the next session. It is the Liberal Party's view that it is quite irresponsible to proceed with this legislation in the absence of accurate and reasonable costings of the proposition and in the light of the widespread community concern and fears of significant increased costs to employers. Those costs will have to be passed on to consumers who will ultimately pay the price of any workers compensation legislation agreed to by Parliament. So, it is essential for us as elected representatives to have before us all information about the implications of this legislation for the community at large and not just for employers and workers before we are able to make decisions on the relevant clauses. The consumer ultimately pays. I hope that that is something that all honourable members will constantly have before them: whatever we do here it is the consumers who ultimately pay. The employers will pay any increases in costs, and they will have to be passed on to the consumers.

Let me now make some observations about the Liberal attitude that will be displayed in this debate. It is the responsibility of the Opposition to probe, to question, to raise the other side of an issue and to explore its consequences to the full. It may look as though we are opposing for the sake of opposing on some of those occasions where debates may be lengthy, but a careful consideration of the detail of the debate and of the *Hansard,* in particular, will undoubtedly demonstrate that that is not so.

Let me give members an example. In the first two weeks of this sitting, all nine Bills that have passed through this Chamber have been supported by the Opposition. We have moved some amendments—in our view, to improve the Bills. Most of those amendments have been accepted; several have been rejected, but the Bills have been supported. Today, a tenth Bill, the Second-hand Motor Vehicles Act Amendment Bill, has been passed in less than five minutes with the support of the Opposition and the Australian Democrats.

So do not let anybody who wants to be critical of the Opposition on key issues criticise us for taking time to probe, to question, to explore the consequences of an issue and, perhaps, the hidden agenda in any legislation which comes before us. We would, of course, be abdicating our responsibility if we did not undertake that responsibility as elected members.

The fact of the comparative numbers of the members on the floor of either Chamber, whether Government, Opposition, cross-benchers or Independents, is largely irrelevant in respect of the debate on any particular issue. Each member of Parliament has a responsibility to his or her electors. Neither House of Parliament should be regarded as a rubber stamp for the executive Government. The moment it is, there is a dictatorship of the majority and—I would put very strongly to this Council—democracy is at risk. The right for a member to speak freely without threat is really the cornerstone of our democratic system and we, as members of the Liberal Opposition, will explain adequately our point of view. We will raise as many questions as are necessary to clarify a matter and probe the Government to highlight flaws in legislation. We will look carefully to ensure that the consequences, if they are onerous, are drawn to the attention of the public.

We will not be intimidated by threats of union members against our members if the Bill is not passed or if Government amendments are not supported by us. That threat in itself is a grave contempt of the Parliament. If the threat is carried out, it may ultimately mean bringing those who make and carry out the threats to the bar of either House. Only two weeks ago threats were made by members of the trade union movement against members of the Liberal Opposition and the Australian Democrats in relation to this Bill. I raise objection in principle to that sort of threat, and I can assure honourable members and the public at large that, if those threats are carried into effect, there will be a very strong reason to bring those threats to the attention of the relevant House of Parliament.

Arguments can be put to members of Parliament, and verbal persuasion can be tried; but threats to prevent members of Parliament from doing what they perceive to be their public duty should not be tolerated in our Democratic system, and any such threat, whether implemented or not, should be treated seriously as an infringement of the responsibility of members of Parliament to their electorate.

The Hon. T.G. Roberts interjecting:

The Hon. K.T. GRIFFIN: I did not criticise unions at all in respect of any right to demonstrate. What I am saying is that if they threaten members of Parliament and seek to prevent them from doing their public duty as a result of the threat of action, or even from the carrying into effect of that action, that is a breach of the very democratic principles which govern the election of members of Parliament in our society, and it is a grave contempt of the Parliament. That grave contempt ought to be speedily dealt with.

We will not be intimidated in drawing attention to the real issues in relation to this or any other Bill, and we will continue to put our point of view on it and continue to debate it and raise issues of relevance to the Bill, so that the members of the public, as far as that may be possible, will be able to discern what is the consequence of this legislation.

I now turn to Government procedures in relation to this Bill. In August 1985, we had a great fanfare of trumpets and publicity in what was looking to be an election period. Work Cover was announced as a great achievement by the Government in reaching agreement between employers and employees on the highly contentious question of workers compensation. The Premier publicly sold it as such an agreement, essentially for electoral purposes, because it did look good for the Government. It looked as though the Government was able to get on with business, and that is what the Premier was on about in trying to negotiate an agreement under the title of Work Cover.

However, from an agreed plan which was announced by the Premier, it very soon became a white paper for discussion. The employers agreed with Work Cover. We in the Liberal Party differed from the employers over some major aspects of that so called agreement with the unions. The unions then delivered to the Government some 22 demands for amendments. I suppose the community at large could have been forgiven for believing that, the Premier having announced an agreement between employers and employees, the Government very soon yielded to the union demands and, as a result, amendments were proposed to Work Cover.

At that point, it ceased to be a so-called agreed proposition for workers compensation. The employers did not agree. There was no Bill prior to the election to translate Work Cover into a formal draft. I suppose if that had occurred

everybody could have read the fine print, but if they had been able to read the fine print the public controversy would have been considerable. Once the agreement is translated into legal drafting, we can see what flesh is put on the bones and what the real consequences will be.

It would have also been controversial because the Work Cover proposal also referred to the fact that there would need to be some quite considerably revamped safety, health and welfare legislation. There is no denying that from time to time safety, health and welfare legislation needs to be reviewed. We were told before the election that there would be some new legislation and that that would, in some respects, affect workers compensation.

The two—Work Cover and safety, health and welfare legislation—should have been going in tandem in the Government's presentation to the public and to employers. We still do not know what will be in the safety, health and welfare legislation. One could have expected that there might at least be some hint about what was proposed in light of the fact that the two are inter-related: workers compensation on the one hand; safety, health and welfare legislation on the other.

The Hon. R.J. Ritson: There's not much safety and rehabilitation in this Bill.

The Hon. K.T. GRIFFIN: No, the emphasis is certainly not on rehabilitation and I will direct some attention to that later. There is no reference at all to safety, except that the corporation may grant some concessions where there is an improved safety record, but that is not addressing the real issue of safety, health and welfare in the work place.

The Victorian experience was that the Cain Labor Government introduced legislation in that Parliament before the Victorian State election. That was finally debated. Some proposals were made in the Upper House in Victoria and a somewhat moderate piece of legislation emerged from that legislative program, but after the Victorian State election a mass of amendments was proposed by the Cain Labor Government and the real colour of the administration in that State in relation to safety, health and welfare became clear.

Some information which has filtered through to South Australia has suggested that quite massive penalties, bearing no comparison to those in the present law, will be placed on employers who do not have adequate safety, health and welfare procedures and provisions within the work place. More particularly, there is a provision that union officials on the floor and not independent inspectors will be able to stop work on the ground of safety in the work place. If there is an unsafe system of work, it ought to be the responsibility of the appropriate independent inspector to make the decision whether or not it is an unsafe situation which should result in work being stopped, and it should not be the responsibility of persons who may in fact use their very wide power for purposes other than merely the grounds of safety. Rather than draconian legislation giving power to union officials, we need reasonable safety legislation giving power to independent and trained inspectors.

With no safety, health and welfare legislation to consider in tandem with the Bill before us, it makes it very difficult to assess the real consequences of the Government's wider plans. On the basis of what we know about workers compensation so far, it is quite obviously a Bill which is a sell out by the Government to the unions and is really the first pay-off after the recent election. Of course, it is being introduced in a hurry now so that, if it can get the support of the Australian Democrats (which I hope it will not), then the Government will have it out of the way well before the next election in three to four years time. If that occurs, the consequences will come home to roost within a matter of two or three years and the real costs will become public from the experience of the operation of this corporation prior to the next State election.

I refer now to the question of the Auditor-General's report. Before the Bill was actually introduced, in answer to a question from a representative of the media at a press conference, the Minister of Labour said that he would be prepared to refer the question of costings to the Auditor-General for an independent report. Subsequently, he regretted making that comment, because it has really locked him into a scenario which requires the Auditor-General's report before the Bill finally passes the Parliament. The Auditor-General publicly agreed to undertake that responsibility and, in fact, as a result of the Minister of Labour's announcement, wrote to the Auditor-General:

> As you may be aware, the Australian Democrats and a number of employer groups have called for an examination by yourself of the costing study undertaken by the Government by Dr T. Mules and Mr T. Fedorovich, particularly in light of the findings of an independent costing study undertaken by a New South Wales actuary, Mr Jim Gould, and commissioned by the South Australian Employers Federation. The Government would therefore appreciate if you could undertake an examination of the two sets of costings to determine to what extent the two sets of results differ and, if so, whether the differences are of such a material nature as to put in doubt the reliability of the Government's costing study. It may be that any differences between the two studies can be explained or reconciled, in which case your views on these differences would also be appreciated. Every assistance will be provided to enable you to undertake your assessment of this matter.

We know that the Auditor-General has been requesting information from a number of sources as late as 17 February, making the request for information to be in by 21 February, and that he will pursue that very difficult task, but the Minister of Labour has, in effect, said that it really does not matter what the Auditor-General reports: the Government wants the Bill through.

The Bill was pushed through the House of Assembly, and the announced decision to get the Auditor-General's report was ignored. As I have indicated, the Auditor-General has taken his job seriously, and I would not have expected anything else. He is collecting a mass of data and I hope that he can present a report which is publicly available and which will deal with the costing of the Government's proposal, taking into account appropriate actuarial assessments of the cost of future liabilities and operating costs. Because of the grave concern expressed publicly by a range of people about the basis for the Government's claims of large savings, it is necessary for us to have that report.

In respect of costings, I clearly indicate that the analysis by Mr Fedorovich and Dr Mules was not based on adequate information, was only preliminary and was not intended as the basis for legislation. During the week ended 7 February 1986, which is only some two weeks past, Mr Fedorovich stated that the paper which he had prepared with Dr Mules was never intended to be a cornerstone for the legislation. I understand that both those gentlemen, in their reports dated June 1984 and October 1985, have costed the proposed scheme only as it was proposed in the Government's discussion paper dated August 1985—that is, the white paper—and have not costed the Bill in the form in which it has been presented to Parliament. In particular, they have not costed the proposed rehabilitation aspects, the introduction of a limited common law right or the increase as the amount payable as compensation for permanent disabilities.

I also understand that a costing of the actual Bill was done by a very large self-insurer, who under the Bill would become an exempt employer, and that that costing showed that, rather than the Government's proposed scheme resulting in a saving, it would increase costs to exempt employers by 25 per cent. That was a rather extraordinary difference

of view between an independent costing and that of Mr Fedorovich and Dr Mules.

The Hon. I. Gilfillan interjecting:

The Hon. K.T. GRIFFIN: That was a major self-insurer. In fact, BHP is a major self-insurer operating in this State. I also understand that the figures prepared by Mr Fedorovich and Dr Mules were based on figures by Heaths, which was one company in some 37 companies operating at the time, and based on one year's figures. Heaths is a specialty insurer. It provides insurance to selected large employers on what is called a 'burning cost basis', which is almost identical with the pay-as-you-go proposition. It is not the way in which average employers are rated: they are rated as the average of a particular class of employer.

The first paper prepared by Mr Fedorovich and Dr Mules was done as a feasibility study for a 'New Directions' seminar, I think in 1984. As I indicated earlier, it was never intended to be an assessment providing the basis for a comprehensive workers compensation and rehabilitation scheme. I am informed by the Insurance Council of Australia that, prior to 16 January, it attempted to obtain from the Government the information that had been available to Mr Fedorovich and Dr Mules when they wrote their reports dated June 1984 and October 1985, and the calculations that had been made by those authors.

Initially the Government said that the information had been provided on a confidential basis and that, therefore, the Government was not at liberty to release it. The Insurance Council of Australia responded to that by obtaining a letter of authority from one particular insurer for the release of the information on the understanding that that insurer might have been the only one which provided information from which Fedorovich and Mules had worked. The Government then said that it could not release the information because it had received it from more than one insurer.

The Insurance Council of Australia responded by obtaining letters of authority from the 12 leading insurers, which the Insurance Council of Australia says represent about 90 per cent of the market. The letters of authority were delivered to the Minister of Labour at a meeting on 16 January 1986 with a view to persuading the Minister to then release the information for a later meeting on that same day which had been set up between Mr Fedorovich and Mr J.C. Gould, a Sydney actuary.

The Minister still declined to release the information and calculations and to the present day that situation has been maintained. That, of course, reflects upon the basis of the Government's legislation. Why will it not release the information and calculations upon which it based this Bill? Why will it not disclose the level of premiums? It has not yet declared any anticipated levies on employers. We know that it is proposed that industry-wide levies be fixed. The nature of the industry classifications, the placement of individual employers within such classifications and the rate at which each classification will be levied have not been disclosed.

Extensive inquiries have not led the Government to reveal that information. The suspicion is that, as a result of the Government not being prepared to disclose that information, a proper analysis of costing based on industry-wide level rates could only result in a much increased cost to employers.

The Hon. T.G. Roberts: A 30 per cent saving.

The Hon. K.T. GRIFFIN: It is not a 30 per cent saving, because there is no way that that claim to a 30 per cent saving has been established publicly on information available. What I am arguing is that there is no information available to the public upon which a reasonable conclusion can be reached as to the cost of the scheme—the level of premiums has not been disclosed; the basis of information upon which the Government has based its legislation has not been disclosed; indeed, the experience of employers in Victoria, particularly of safety conscious employers in Victoria, is that the premiums, in fact, go up rather than come down.

There has been some talk about costings in the paper delivered at the 'New Directions' seminar in June 1984. The claimed savings have been enunciated. A reduction in administrative costs is claimed to save 6 per cent, according to that paper; elimination of brokers will save 4 per cent; elimination of margins required by private insurers for profits, risk fluctuations and contingency reserves, 9 per cent; elimination of interest earned by insurers on the investment of surplus funds, 6 per cent; reduction in the adversarial processes, 4 per cent; elimination of statutory reserve fund, 1 per cent; abolition of stamp duty, 8 per cent; employer to pay first week of compensation, 12 per cent—a total of 50 per cent, less the increased cost of introducing a no-fault system of indexed pensions and lump sums, a functional loss of 6 per cent, making 44 per cent.

In relation to the employer paying the first week of compensation, that is the most expensive part of even the current workers compensation scheme and employers will still have to carry that cost. It is not a cost that is saved anywhere: it is a cost now to be directly borne by employers. There are a number of other criticisms that can be made of those costs. If the Government is to remove the 8 per cent stamp duty under its new scheme, why cannot it give that concession now under the present scheme and bring immediate savings to employers, which will be passed on to consumers?

There are, of course, other areas of criticism of administration costs and my colleagues on this side will undoubtedly explore those in more detail than I will. For example, the schemes in Ontario in Canada and in New Zealand, which are really comparable to the proposal in the Bill, operate at 9 per cent and 11 per cent respectively for administrative costs. Regarding the saving associated with the elimination of margins (or claim to saving), the response from insurers is that this type of insurance is just not profitable and that any proper provision for claims must include an allowance for risk fluctuation and contingency reserves.

I should point out that there is also a likelihood that employers will, in fact, bear a cost that is presently borne by the Federal Government under its social security schemes. The proposed pension scheme will have the effect of casting upon employers in South Australia an income maintenance role, so employers of South Australia will be relieving the Commonwealth of those responsibilities.

While talking about the question of costs, let me refer to the experience overseas. The workers compensation scheme in Ontario, Canada, has an unfunded liability which has gradually developed to the point where as at 31 December 1985 the unfunded liability was $2.71 billion, having grown from $.38 billion of unfunded liability to 31 December 1978. Quite obviously, a cost is involved in this scheme, which is not proposed to be a fully funded scheme.

The Hon. C.J. Sumner: What does that mean in that context?

The Hon. K.T. GRIFFIN: An unfunded liability means that what is paid now and what has been paid in the past is insufficient to meet future liabilities which have accrued as at the present time, actuarially calculated.

The Hon. C.J. Sumner: Actually proved liabilities.

The Hon. K.T. GRIFFIN: Actuarial: there must be an actuarial basis for calculating the liability for today's accidents being paid out tomorrow. That is what the question of funded or unfunded liability really means. With a fully funded fund we are not expecting tomorrow's employers to meet the liabilities of today's employees, but we are expect-

ing those who employ today to meet the liabilities incurred as a result of accidents to those employees today, when those liabilities accrue in the months and even years ahead.

The Hon. C.J. Sumner: You are talking about the accidents that have already occurred?

The Hon. K.T. GRIFFIN: I am talking about an actuarial calculation of the accidents which have occurred and which are likely to occur within the premium period. One is not talking about the accidents which might occur in five years time. That will be the responsibility of the employers at the time. In relation to the unfunded fund in Ontario, as at 31 December 1985 there was a liability of $2.71 billion Canadian, in relation to which if the fund were wound up there and then the employers or the Government would have to meet. But in Ontario it is no longer a guaranteed scheme, and it is interesting to note that the Government's Bill that we are now considering has removed from an earlier draft the provision that the Government guarantee the fund. So, what will happen to unfunded liability at some time in the future, in the light of the fact that there is no guarantee by the Government of the fund established in this Bill?

The Hon. C.J. Sumner: What do they do in Ontario?

The Hon. K.T. GRIFFIN: In Ontario maybe at some time in the future someone will come to grips with the situation, but it is a liability which must be met. It is the same argument that has been made about compulsory third party motor vehicle insurance.

The Hon. C.J. Sumner: But you don't have to meet it—

The Hon. K.T. GRIFFIN: You will have to meet it. It is an actuarial calculation of liability which has accrued. The Attorney-General displays a surprising ignorance of the way in which this works.

The Hon. C.J. Sumner: I understand it.

The Hon. K.T. GRIFFIN: I do not think the Attorney understands it, with respect.

The Hon. C.J. Sumner: I understand that, for instance, in New South Wales there is unfunded liability in third party insurance.

The Hon. K.T. GRIFFIN: I understand that, too. That is appalling.

The Hon. C.J. Sumner: It is a bit like—

The Hon. K.T. GRIFFIN: It is a bit like sweeping it under the carpet, and worry about it tomorrow, even though there is a liability which has accrued today.

The Hon. C.J. Sumner: It only becomes relevant if a fund is wound up.

The Hon. K.T. GRIFFIN: It becomes relevant because at some time in the future someone must meet the liabilities.

The Hon. L.H. Davis: Your kids.

The Hon. K.T. GRIFFIN: Your kids and my kids. I have no desire for the consumer and employers of tomorrow to have to meet the additional payments for the liabilities of today's employers. That is what it is all about. I am happy to debate this across the Chamber with the Attorney-General.

The ACTING PRESIDENT (Hon. C.M. HILL): It would be advisable to debate it in Committee.

The Hon. K.T. GRIFFIN: The Attorney will have a chance to debate it again.

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: That is an interesting admission. The Attorney-General seems to think that we are not going to get there, and that suggests he knows the Auditor-General's report will not be obtained before this parliamentary session concludes. Certainly we will not go to the Committee stage if we do not have the Auditor-General's report. However, the Attorney-General will have a chance to respond during his reply to the second reading debate.

The Hon. C.J. Sumner: Are you saying that these funds in, say, Ontario, New Zealand and Victoria are all unfunded?

The Hon. K.T. GRIFFIN: I am saying that that is the consequence of the way in which they treat their funding. If the same procedure and practice is adopted in this State we will have the same sort of unfunded liability which is growing in the other States and which is already in existence in Ontario. We can debate that matter at length later, and I hope that the Auditor-General's report is able to explore in some detail what is likely to happen with an unfunded fund, as is proposed by the Government in this Bill.

Of course, the other thing which is relevant to this concerns the present and proposed levels of benefit. The present legislation provides for weekly payments of up to a total maximum of $50 000 and either a disability lump sum to a maximum of $40 000 or a redemption lump sum to a maximum of $50 000. The proposal before us in the Bill provides for weekly payments with no monetary limit plus both a disability lump sum to a maximum of $60 000 and a CPI indexed permanent incapacity pension with no monetary limit. Those figures are relevant because, just by looking at them, one can see that the benefits proposed in this Bill are quite significantly increased compared to the present position in the Workers Compensation Act.

The Hon. C.J. Sumner: Better than Victoria?

The Hon. K.T. GRIFFIN: In the context of benefits, the Victorian situation is irrelevant so far as South Australia is concerned. The fact is that at one time South Australia had a lower cost of production and cost of living than in the other States of Australia. We are now on a par with Victoria, and if this legislation is passed employers in this State will be prejudiced even further in their ability to compete with producers of all sorts of products in other States, and so consumers in South Australia will end up paying more. What we have in South Australia is one thing—and I think there are real problems even with that level of benefit—but the Bill seeks to give a quite significant increase in benefit which can mean only an increase in costs to those who produce goods for the benefit of the community and who ultimately will have to seek to have those increases in costs paid for by the consumer.

Although Liberal Party policy has been identified in another place and has been publicly available since August 1984, I think it is relevant to ensure that it is on the record in this place. The Liberal Party announced its policy in this regard in March 1984. In some important respects it was not accepted by some business leaders, although it was accepted by others. We stuck with our objectives because they did fulfil criteria which we believed were important for workers compensation.

We were of the view that the policy must be fair to all concerned—to both employers and employees; that there had to be a maximum incentive to an injured worker to return to work; and that there had to be a much greater level of emphasis on rehabilitation to assist that injured worker to return to work. We also were of the view that wherever possible the impact on the general community and the economy must be limited to ensure that we did not add to the problems of the long-term unemployed and that also any delay in settling claims was minimised.

The specifics of our policy depended on streamlining court proceedings to avoid delays, and to remove lump sum awards at common law (except for compensation for loss of future earning capacity, which would have been paid by periodical payment). We were of the view that a much greater emphasis should be given to contributory negligence by the worker in assessing entitlement; that weekly compensation payments should be 95 per cent of average weekly earnings; that there should be no double dipping in relation to weekly earnings and redemption; that for travel accidents there should be no payment unless that travel was performed as part of the employment; that employers should

be able to carry the first week of payments if they so wished; and that direct or employee members of small businesses should be able to opt out of cover for themselves where they use the company as a vehicle for carrying on what is in effect a personal or family business.

We also wished to ensure that there were effective discounts for employers with a good safety record; that the existing rehabilitation board was replaced with a workers compensation advisory committee; and all the associated regimen that we should have for dealing with occupational safety. We also believed that there should have been a greater emphasis on safety in the workplace, on prevention rather than on dealing with those who were injured as a result of accidents in the workplace.

I now turn to certain specific aspects of the corporation and of the Bill itself, recognising that again, as I said earlier, some of my colleagues will undoubtedly expand on economic aspects of the legislation and on differing parts of the Bill all of which have created concern to us individually as well as as an Opposition. The corporation which is to be established in the Bill is a Government monopoly. There is no competition and, in fact, it becomes a bureaucracy. While the provisions of the Government Management and Employment Act are specifically excluded, the fact is that there will be no competition to keep it efficient. There will be no competition to ensure that alternatives are available to the community at large.

Presently there are some 36 insurance companies in the field of workers compensation insurance which operate according to the current Workers Compensation Act. They operate within the framework set by Parliament for workers compensation. There has been some criticism of insurance companies for some of their attitudes which have been displayed in the administration of workers compensation. Some of the criticism may be valid, but much of it is not valid. Much of the criticism, particularly that made by the Minister of Labour, is designed to deflect criticism from the Government and from the Minister and to focus on what he describes as self interest, imputing to all those in the insurance industry base motives for wanting to maintain some private insurance involvement in workers compensation. However, the Minister demeans both himself and the Government by that sort of criticism.

The Minister has also criticised the legal profession and, of course, I need not make it any clearer than it is from day to day that it is a profession to which I belong. I recognise that some members of the legal profession have used workers compensation laws to their advantage to maximise profits, and that there have been faults in the court system in terms of delays. However, one must recognise that by far the overwhelming majority of lawyers have acted responsibly within the framework of the legislation set by Parliament and have been doing their duty to their clients. Let no one forget that the principal responsibility of a member of the legal profession as an officer of the court is to do his or her best for his or her client; not to abuse the system but to act responsibly, to advise a client responsibly and to endeavour to gain the best possible settlement for the client.

Lawyers cannot be blamed for delays in the system, and lawyers cannot be blamed for wanting to do the best they can for their clients. If they did not, they would be brought before the Legal Practitioners Complaints Committee with an allegation of unprofessional conduct. There is one lawyer in particular who was struck off for unprofessional conduct in relation to workers compensation, and I will have something more to say about him later. He was milking the workers compensation system and, quite rightly, he was ultimately struck off. It was a long hard battle to get him off the register and I now understand that he is seeking other ways to gain an income in the Industrial Commission. I believe he has his eyes set on becoming an advocate under the workers rehabilitation and compensation legislation if it becomes law. I will address some remarks to that later in respect to potential abuses of the Government's system by persons like this former lawyer.

I do not support abuse of any system; and I do not support delays unless they are necessary to ensure that an injury has stabilised adequately, or for the purpose of obtaining reports. The Liberal Party had proposals for speeding up claims below $20 000 in what was virtually a small claims jurisdiction. In fact, in government we had a proposal for judges of the District Court to be commissioned also as judges of the Industrial Court so far as workers compensation was concerned so that we could speed up consideration of workers compensation matters in the Industrial Court. My discussions were—

The Hon. C.J. Sumner: Slow down motor vehicle accident cases in the District Court?

The Hon. K.T. GRIFFIN: At the time there were judges who had some spare time on their hands. We were really looking to ensure that the time was fully utilised and workers compensation matters were dealt with as expeditiously as possible. That met with some resistance from certain members of the judiciary and we were not able to proceed with it.

My discussions with lawyers who are involved in the workers compensation jurisdiction in the Industrial Court at the present time signal quite significant complaints about delays there; delays which are caused by the court and not by litigants or by lawyers. Whatever is the outcome of this Bill, I would hope that that could be attended to by the Government.

The corporation is to be a monopoly. It is not going to be subject to any form of competition, and is going to be able to make a wide range of decisions acting under the clauses of this Bill.

Its composition is set out as being 11 members appointed by the Governor; one to be a person nominated by the Minister, to be the presiding officer; four to be nominated by the Minister after consultation with the United Trades and Labor Council; three nominated by the Minister after consultation with associations which represent the interests of employers; one to be nominated by the Minister after consultation with the Employer-managed Workers Compensation Association Incorporated, the self-insurers; one to be a person experienced in the field of rehabilitation, and one to be the general manager of the corporation. There are some difficulties with that composition. It really gives the Minister the opportunity to appoint a majority of persons sympathetic to the government of the day, and that must surely colour one's attitude to the powers and responsibilities of the corporation and the potential for abuse by the corporation of the system, and a favouring of the trade union movement in particular, without the proper balance being evident and without there being even-handed treatement of all parties affected by the decisions of the corporation.

The Hon. I. Gilfillan interjecting;

The Hon. K.T. GRIFFIN: It is, because out of the 11 the Minister and the trade union movement between them will have at least five, probably the person experienced in the field of rehabilitation plus the general manager, so the potential is there for the numbers to be heavily weighted in favour of a Labor administration with a trade union orientation. That must, obviously, impinge upon one's consideration of the powers and responsibilities of the corporation to be exercised under this Bill.

In respect of the appointment of members of the corporation, a member of the board is to be appointed for a term not exceeding five years as the Governor may determine.

We have had this debate on a number of occasions: that is, that there ought to be a fixed term. For the first appointments, we accept a staggered series of appointments so that retirements can occur on a staggered basis, but after that the terms ought to be fixed, because where there is a term which is limited—say for one year—and the Minister has the power to recommend appointment for relatively short periods of time, there is no security of tenure and there is, therefore, no freedom to act independently of a decision or the wish of a Minister of the day.

It is, therefore, my view that with all of these sorts of corporations—and particularly this one that is going to be fixing levies and supplementary levies and making decisions about rehabilitation—there ought to be a fixed term after the first series of appointments and the fixed term ought to be, say, five years, to give a member a feeling of freedom to make decisions which might not necessarily accord with the decisions of the government of the day. It is not to become a mere rubber stamp of the Government, if, in fact, the majority of members support it. As I have indicated, I and the Liberal Party have a very strong objection to the monopolistic corporation.

In respect of the disclosure of interest provisions required of a member of the board there is a technical difficulty, because a member of the board who is directly or indirectly interested in a contract or any matter that is before the board for determination is not permitted to participate further in that decision, but the board, of course, will be making decisions for its own employee so there is evident and immediate conflict.

In clause 16 of the Bill the corporation has power to delegate any of its powers or functions. There is no limit on the delegation. The delegation ought to be only to officers and employees of the corporation, otherwise with the sort of weighting which we have on the board of the corporation it is quite possible for the corporation to delegate powers or functions to union representatives, to persons outside the corporation over whom the corporation has no responsibility or control.

A delegation can be revoked, but that is the limit of it. There is no penalty for acting outside the authority granted by the delegation. The Government Management and Employment Act does not apply in relation to officers of the corporation under clause 24, and that is important, but there is no mention of the Government Financing Authority Act.

The South Australian Financing Authority tends to marshal funds of statutory bodies and to compel them to invest in particular ways, and I would have a suspicion that the operation of the Government Financing Authority is not excluded from this Bill because the Government would wish to have available to it the funds which have been contributed by employers through levies to meet the future liabilities in relation to employees who have been injured at work.

We have to remember that there is quite a substantial amount of money which is likely to be available as a result of the levies, and I do not believe that it ought to be under the authority of the Government Financing Authority but, rather, should be the responsibility of the board to invest in accordance with the requirements of this legislation.

The Hon. I. Gilfillan interjecting:

The Hon. K.T. GRIFFIN: The Hon. Ian Gilfillan says he does not follow me. What I am saying is that the Government Financing Authority is an agent of the Treasury, and under its Act can require Government instrumentalities to invest their funds through the financing authority in particular investments. That means that the Government creams off some of the benefit of what would otherwise be independent investment, and the amount creamed off is not available for the benefit of the fund. It also means that investment decisions are taken not by the corporation but by the Government Financing Authority. It takes the investment decisions and the benefit from the corporation.

The Hon. I. Gilfillan: Should there be expressed authority?

The Hon. K.T. GRIFFIN: The authority is given certain powers with respect to investment, but it is interesting to note that the Government Financing Authority Act is not excluded from this Bill, and that means, in my view, that the Government Financing Authority can in fact intrude into the investment decisions by giving a direction to the corporation to invest in a particular way or to invest through the Government Financing Authority.

There is an intrusion by another statutory body into the investment decisions of the corporation that will ultimately have an effect on the level of levies which are imposed upon employers and which are calculated in relation to the amount of money available in the fund. If certain amounts are creamed off by the financing authority, they are not available for calculation within the fund, and that is a matter of concern.

The Hon. L.H. Davis: And it may mean that the return on funds is not maximised.

The Hon. K.T. GRIFFIN: As the Hon. Mr Davis says, it may mean that the return to the fund is not necessarily maximised. The corporation has powers under part III divisions 1 and 2 in relation to rehabilitation and disability prevention programs. It has the power to establish a rehabilitation program for workers of a particular class, and it also has the power to establish clinics and other facilities for the assessment, treatment or rehabilitation of disabled workers. In both instances, there is a suspicion that that will extend to those sorts of facilities which are dominated by the trade union movement which has a vested interest, rather than independent and balanced facilities. In the administration of this legislation, if it passes, we have to look for and ensure at all times balance and objectivity when dealing with injured workers and with employers who will be required to pay the levies.

Although the corporation exercises many other powers (and we will identify them during the course of the debate), the other important aspect relates to clause 107 where a registered employer is insured by the corporation subject to terms and conditions prescribed by regulation. There is no indication as to what may be contained in that regulation. One would presume that the regulation would be made on the advice of the corporation, but it seems that an open cheque is really being given through the provision that the terms and conditions are to be prescribed by regulation.

The area of levies is one of the keys to the legislation. I refer to the levy which may be prescribed by the corporation both for exempt employers, that is, the presently self-insured, and for all other employers and, also, the power to impose a supplementary levy if the fund is inadequate to meet the liabilities. That is the ultimate power—a supplementary levy which can be made upon employers. There is no indication as to what the levy or the supplementary levy is contemplated to be. That is a grave deficiency in the way in which the legislation is drawn.

In respect of rehabilitation, as I have indicated clauses 26 and 27 are relevant, but we do not have any proposals as to the way in which rehabilitation will be addressed. It is all left to the discretion of the corporation and that is an extraordinarily wide power, particularly where there are no rights of review of decisions relating to rehabilitation.

In relation to benefits, clause 35 provides for situations of total incapacity for work and for partial incapacity for work. Total incapacity will draw a notional weekly earning of the employee which is defined to include a range of

benefits, which are indexed according to the CPI. Partial incapacity allows compensation of a portion of notional weekly earnings which are related to the availability of suitable employment so, rather than it being a disability related criterion, it is a matter related to availability of employment. In my view, that is inappropriate.

Clause 39 deals with the indexing of weekly compensation and refers to indexation using the consumer price index operating from the expiration of the fourth and subsequent years of incapacity. So, whilst everybody else in the community might receive the national wage increase, those who are incapacitated get a consumer price index increase. Clause 43 provides for a lump sum for non-economic loss totalling $60 000 for a disability occurring in 1986, and that is to be indexed annually. The amount of $60 000 is double that proposed in Work Cover and that is one of the major areas of objection by employer groups, as well as the availability of some limited common law action. The sum of $60 000 is far in excess of the present lump sum which might be available on a no-fault basis and will undoubtedly contribute to an increase in the cost of workers compensation. Other areas of the level of benefits and the adjustment of benefits will receive more detailed consideration by other members on this side of the Council.

I want now to deal briefly with and identify certain other areas of concern. I have referred particularly to the fact that there is no provision for the fund administered by the corporation to be fully funded. Both clauses 17 and 64 are relevant to that. The Opposition's view is that, whatever scheme is adopted for workers compensation, it ought to be fully funded. I have explored the meaning of that across the Chamber with the Attorney-General and I do not think it is necessary to take that matter any further.

Clause 3 (2), the definition clause, needs further consideration. It seeks to deal with Ministers of the Crown, members of Parliament, judicial and other officers of the Crown and certain other persons. It makes the Crown the presumptive employer of those Ministers of the Crown, members of Parliament, judicial and other officers of the Crown.

The fact is that the Judiciary, for example, have a non-contributory pension. They are not in any way employees. They do receive a benefit from their non-contributory superannuation, if they are permanently incapacitated, and undoubtedly their salary continues if they are unable periodically to attend work as a result of accident or illness. They cannot be removed from office, so I wonder why the judges are to be regarded as employees under this legislation and, if they are to be so regarded, in what sense does this Bill then impinge upon the independent nature of judicial office.

I am not sure why 'Ministers of the Crown' and 'members of Parliament' are separate: I suppose that may relate to that period of three months under the Constitution Act during which Ministers need not be members of Parliament. However, members of Parliament will continue to receive their salary if they are injured at work. They are covered by a quite substantial insurance policy of, I think, at the last count, $100 000. I cannot appreciate why they should, likewise, be covered by this legislation and whether this legislation would, in fact, impinge upon the payments to which members of Parliament are entitled under their normal relationship under the Constitution Act.

I would like to hear the Attorney-General clarify why Ministers of the Crown, members of Parliament, judges and other officers of the Crown are included in this legislation. It may be that it harks back to the days when Don Dunstan retired and sought to get some additional payment, I think $25 000, under workers compensation.

The Liberal Party has a very strong view on journey accidents, which are again referred to in the definition clause and in clause 30. We see no reason at all for injuries occurring on the way to the office to be covered by compensation when the employer has no control over what the employee is doing on the way to work. Unless it is an obligation of the employee as part of his or her work requirement to travel from home to a different place of work and that employee is injured on the way, we do not see any reason to have such a wide description of accidents being covered on the way to work.

There is a difficulty with the way in which seasonal workers are to be described and in which their average weekly earnings are to be calculated. Particular reference is made to those who might be shearers or fruitpickers. Under clause 4 of the Bill, particularly subclauses (2) and (5), there is a major difficulty in the way in which seasonal workers compensation might be calculated. That matter certainly needs to be addressed, because it appears that they may in fact be getting very much more than they would otherwise get if they continued to work on a seasonal basis taking jobs as and when they became available.

All employers are to be registered under clause 59 so that for the first time on computer with the corporation all those who employ anybody in South Australia will be on the central computer. It gives a remarkable amount of data to the Government which, if it were used by the wrong persons, could create a great deal of havoc among employers. The clause also seems to extend to those who might have someone coming into their home to do casual gardening, ironing, cleaning, or even babysitting, a matter the Hon. Robert Lucas raised a year or so ago.

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: It is still extraordinary that all of those employers then have to be registered with the corporation.

The Hon. J.C. Burdett: Kids who clean cars, too.

The Hon. K.T. GRIFFIN: Yes.

The Hon. R.J. Ritson: They'll need a 20-storey building to house the information.

The Hon. K.T. GRIFFIN: That is what happens when there are large monopolies run by Governments: they have to build large buildings and employ more staff to service the staff. Clause 61 is important because it deals with the liability of the Crown. It provides:

> (1) Subject to subsection (2) the Crown and any agency or instrumentality of the Crown shall be deemed to be registered as exempt employers.
>
> (2) The Governor may, by proclamation, declare that an agency or instrumentality of the Crown is not to be regarded as an exempt employer . . .

I know that the State Bank is presently a self insurer. I suspect that other Government corporations are also self insurers. It would make a quite considerable difference to the fund administered by the corporation if, in fact, the State Bank and other similar Government instrumentalities were to be proclaimed as no longer being regarded as exempt employers so that the full levies would have to be paid. I want to ensure that those sorts of agencies of the Crown that operate in a commercial context are not thereby prejudiced by the provisions of clause 61 of the Bill.

I have already directed attention to clause 65, which refers to the power to impose levies. Some criteria are set out in subclause (2), but they are very general and there is no opportunity for the class-wide levy to be varied; it is fixed by the corporation and there is no opportunity for it to be reviewed under the parliamentary process. Under clause 66 there is power to impose a supplementary levy, and also power to impose a special levy on exempt employers. Therefore, the self insurers who at the present time pay their own way are, in fact, liable to pay a special levy of an amount not yet identified to the corporation to cover some rather nebulous liabilities specified in subclause (3).

Clause 78 provides for the appointment of review officers. They have special functions under the Act, including the review of controversial or contentious decisions made by the corporation in respect of particular employees. They are employees of the corporation, but are not to be subject to direction by the corporation. It is a rather incestuous arrangement. On the one hand, this person who works in the office of the corporation has an employment relationship, is paid for services rendered, has a dependence on the corporation for the welfare of himself or herself and his or her family, and yet, on the other hand, is to make decisions which are not subject to a direction by the corporation.

I would find very difficult to believe that that could be achieved. As I have said, it is an incestuous arrangement, and I do not believe that it effectively provides for the sort of independence which review officers ought to have if they are to exercise the responsibilities given to them under this Bill.

Clause 80 of the Bill provides for the appointment of members of the tribunal. One of the curious provisions of this is that the person who is a member of the tribunal can be removed by the Governor for breach of, or non-compliance with, a condition of appointment or on the ground of misconduct, neglect of duty, incompetence or mental or physical incapacity to carry out satisfactorily the duties of office. This tribunal has quasi-judicial powers, and in fact it can award damages. I would have thought that it would be appropriate for members of the tribunal to have much more security of tenure. We do not know what sort of conditions of appointment will be imposed by the Governor (in effect, the Government) when the appointments are made. It would be extraordinary if a member of the tribunal was to be intimidated by a Government or by individual members of a Government in relation to his or her decisions, and if conditions were imposed which would ensure that the member was more compliant than independent. The provision does not give any protection to individual members from that sort of direct or indirect pressure, which is not in evidence in the appointment of judges to our courts. Of course, judges can be removed only by an address of both Houses of Parliament.

Clause 81 provides that the tribunal is to consist of a President or Deputy President, one member selected in accordance with the rules of the tribunal from among the ordinary members appointed after consultation with the United Trades and Labor Council, and one member to be selected from among the ordinary members appointed after consultation with associations that represent the interests of employers. We do not know what the rules of the tribunal are for the selection of individual members. We do not know whether it will be the President, the Deputy President or the presiding officer of a particular tribunal who will make the choice. Will there be a rotation of the panel applicable to the tribunal? It is open to some manipulation, and I certainly believe that it ought to have some more certain bases upon which appointments are to be made.

Medical review panels are referred to in clauses 84 and 85, and the same criticism can be made in relation to the membership of those panels. Members are to be appointed by the Minister, after nomination being made by employer and employee groups. In this regard there is also difficulty in that there is no identification as to who will make the choice of a particular medical review panel, and when the panel is to meet. That certainly needs to be clarified to ensure that it is not open to manipulation. In respect of decisions of a medical review panel, clause 99 provides that:

> . . . the decision of a medical review panel on a medical question is final and conclusive.

Subclause (2) provides for leave of the tribunal to appeal against a decision of the panel to the tribunal, but only where special reasons are shown. So, the medical review panel for all practical purposes will have absolute power. Its decisions will be final on medical questions, which are very broadly defined under clause 3 of the Bill as follows:

> 'medical question' means any question of—
>
> *(a)* the nature, extent or probable duration of a disability; and
>
> *(b)* the medical cause of a disability and the kind of trauma with which the disability may be consistent.

The Hon. R.J. Ritson: The medical question there includes the problem of deciding which set of liars to believe—and that is a quasi-judicial function.

The Hon. K.T. GRIFFIN: The Hon. Dr Ritson puts it rather colourfully. However, it highlights to some extent the difficulty involved if there is not an adequate right of review of the decision of a medical review panel. I am sure that the Attorney-General will recognise that, if there is no effective right of review of a decision of a tribunal, it tends to become arrogant and make decisions, regardless, in some instances, of the real merits of a case. I think that some attention must be given to the review. I noticed that the Public Service Association in its monthly magazine was very critical of the provisions in the Bill in respect of the medical review panel, and it argued for very wide powers of review of decisions of the medical review panel. It appears that at least one union, and possibly others, as well as employer groups, are concerned about the finality of the decisions made by such a panel.

[*Sitting suspended from 5.53 to 7.45 p.m.*]

The Hon. K.T. GRIFFIN: Prior to the dinner adjournment I was addressing some remarks to the tribunal and the medical review panel, and the independence of the members and the way in which they were to be selected. I was then moving on to deal with the question of appeals. However, before doing that, I draw honourable members' attention to a submission from the Australian Medical Association which has some general comments about review officers and also about medical review panels, adverting to the possibility that review officers will not be able to act independently of the corporation; and also in relation to the medical review panel and in relation to the tribunal. The submission states:

> It is quite possible that members of these tribunals, knowing that they are appointed on the nomination of one or other party, may feel obliged to act as advocates rather than in a dispassionate and impartial manner. We consider that appointments to these tribunals should be made on merit and qualification alone and that there should be no interference with the professional independence of appointees.

I have some sympathy with that point of view.

The Australian Medical Association puts its submission in the context of seeking to remove as far as that is possible the adversary situation between the insurer—and in this instance the corporation—and the employee on the basis that the adversary system is not conducive to rehabilitation of an injured worker. With respect to the matter of appeals, there is a limit on appeals from a decision of a medical review panel, and I was exploring that prior to the dinner adjournment. There is also a limit on the right of appeal from a decision of the Workers Compensation Appeal Tribunal. That concerns me. Clause 101 provides:

> (1) A party to proceedings before the tribunal may, by leave of the Supreme Court, appeal against a decision of the tribunal in those proceedings.

That is good, but then it is qualified by the following subclauses:

> (2) An appeal under this section shall be heard and determined by the Full Court.
>
> (3) An appeal under subsection (1) shall be limited to a question of law.

It seems to me to be quite extraordinary that there should be that limitation on the right of an appeal from a decision of the tribunal which sits in a quasi-judicial capacity and makes decisions which are similar to the decisions made by a district court exercising civil jurisdiction.

The Hon. C.J. Sumner: What happens with social security appeals?

The Hon. K.T. GRIFFIN: I am not worried about the social security appeals.

The Hon. C.J. Sumner: It's the same thing.

The Hon. K.T. GRIFFIN: It is not really; it is a question of compensation for an injury.

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: The question of whether or not one receives a pension: that is an administrative tribunal.

The Hon. C.J. Sumner: That's the sort of issue you are dealing with here.

The Hon. K.T. GRIFFIN: With respect, we are not dealing with that. We are dealing with lump sum compensation as well as the question of total or partial incapacity and capacity for work. It is the lump sum aspect which is not subject to any appeal, except on a matter of law. It seems to me to be extraordinary that the rights of appeal should be so limited by this Bill. The question of a social security appeal as to whether or not one receives a pension has nothing to do with the question of the jurisdiction of this tribunal. I think it is quite extraordinary that it should be limited—

The Hon. I. Gilfillan: What are the grounds for appeal?

The Hon. K.T. GRIFFIN: There could be a question of fact on the evidence before the tribunal, not just a question of law. I suggest, if it was limited to a question of law, there would be very few appeals. On a question of fact, there may have been a gross miscarriage of justice, but that is not a question of law; that is most likely to be a question of fact, but there is no appeal. So, a tribunal is only subject to scrutiny by a higher body where questions of law are involved, that is, questions of interpretation of the Statute—not questions of fact, credibility of witnesses, whether or not the proper decision has been made in relation to a lump sum. I think that that is a major difficulty.

I now turn to the question of incriminating evidence. Clause 91 deals with the powers of a review authority, that is, the tribunal or a medical review panel. It is interesting that subclause (4) provides:

> A person shall not be obliged to answer a question under this section if the answer to that question would tend to incriminate that person of the offence, or to produce any document, object or material if it is or its contents would tend to incriminate that person of an offence.

I have some reservations about that strict embargo in the context of this Bill. I would generally support a prohibition against questions where the answers would tend to incriminate. However, in this instance we are talking about evidence before a review authority which is directed towards the assessment of eligibility for a benefit. It may well be that the evidence necessary to determine that question is only available from the personal knowledge of the witness, perhaps the injured worker. In those circumstances it seems to be almost impossible to resolve where the injured worker said, 'I decline to give evidence on this matter because it might tend to incriminate me of an offence.'

I float at this stage for consideration, if the Bill gets as far as the Committee stage, that there should be a prohibition against the use of the answer, given in these sorts of proceedings, in criminal proceedings. However, there ought not to be the absolute embargo on the requirement to answer a question which might tend to incriminate. It is likely that this is a different circumstance from the usual where this embargo on incriminating answers appears.

The powers of inspection are dealt with in clauses 112 and 113. Clause 112 provides that an authorised officer may, for the purpose of investigating any prescribed matter, require certain information to be furnished and:

> *(c)* require a person in control of premises to allow the authorised officer—
> (i) to inspect the premises;
> (ii) examine any plant or equipment, or any materials or other matter on the premises;
> (iii) take and remove from the premises samples of any substance;
> (iv) carry out tests;
> (v) take photographs;
> *(d)* require a person to produce records or papers . . .

There is no great difficulty with that except in two respects: one is that, if there is a power to inspect, the inspection should be made with as little interruption to any business activity as possible.

That sort of qualification already appears in another Bill which we have before us, the Builders Licensing Bill; that if an inspector goes in to inspect premises, it is to be done with as little disruption to a person's business as possible. I think there is good value in considering that sort of qualification to this clause 112, and also in relation to clause 113 which deals with the right of a rehabilitation adviser to inspect a place of employment of a disabled worker. The other difficulty with clause 112 is raised actually by the Australian Medical Association, which says:

> This outlines power given to authorised officers of the corporation to require people to provide information. This, presumably, applies to medical practitioners and, as such, is very different from the present situation where information may only be required on the authority of the courts. We think it is unacceptable that this section should apply to medical practitioners in its present form, as it may require medical practitioners to divulge information about their patients without the consent of those patients. The provisions about the release by medical practitioners should be at least as favourable as those applying to rehabilitation officers, who are not required to provide information unless they and the injured worker consent.

I have some sympathy with that view. Because of the special relationship ordinarily existing between medical practitioners and patients, it would be wrong to allow inspectors to have access to the information without the appropriate authority from the relevant tribunal or the consent of the injured worker.

Clause 114 to some extent is related to clause 112. It deals with confidentiality, because it provides that an officer of the corporation shall not divulge information as to the physical or mental condition of a worker, and the physical circumstances of a worker or other person, or matters contained in a return furnished by an employer under this Act that have come to the knowledge of the officer in the course of carrying out official duties. There are certain exceptions specified in subclause (2), but the difficulty I see with it is that the penalty is only $3 000, and it may well be worth more than $3 000 for somebody to hand over the information on an unauthorised basis and run the risk of prosecution.

It seems to me that there needs to be a much higher penalty for breach of confidentiality. It is a serious matter to have information given to an officer in the course of his or her employment or in the course of his or her official duties, and then to break the confidence otherwise in accordance with the Act. The seriousness of such breach of confidentiality ought to be recognised with a much heavier penalty.

The penalty in relation to fraud under clause 122, again, is very low. A person who fraudulently obtains any benefit under this Act is guilty of an offence. The penalty is a maximum fine of $5 000. I think a period of imprisonment

ought to be specified. If benefits or other materials are obtained fraudulently in other contexts, it is an indictable offence. It is indictable under the Criminal Law Consolidation Act, and there is a substantial penalty of imprisonment which, of course, is a maximum penalty and which the court can reduce according to the circumstances of each case. If one looks at the preceding clause, clause 121, any agreement which is designed to avoid the provisions of the Bill attracts a maximum monetary penalty of $5 000 or imprisonment for one year and, at least, the two offences ought to be treated in the same way.

I said earlier that I was concerned about the potential for abuse of the system of representation before review authorities. The difficulty is that, in the context of this Bill, the person who is representing an injured worker or a registered association, trade union, or an employer or, for that matter, the corporation, need not have any special qualifications or any special obligations either to the Supreme Court, as in the case of a legal practitioner, or to any other body. There is no mechanism by which the behaviour of such an advocate can be controlled unless that person is a legal practitioner. I am not advocating that it be solely the preserve of legal practitioners: I want to highlight a problem.

When a legal practitioner is negligent there is disciplinary action which can be taken under the Legal Practitioners Act which can be quite effective, even leading to striking off the roll of practitioners, which denies that person the right to deal with clients and to receive professional fees. The person commits an offence if, having been struck from the roll, he continues to carry on practice. The legal practitioner who acts for a person and receives a settlement of damages on behalf of a client is required to pay it into a trust account which is audited, and if there is default, then quite obviously a liability arises, and if the default cannot be remedied out of the legal practitioner's own funds there is an indemnity fund from which the client can be indemnified.

There are adequate protections for the consumer, and whether that legal practitioner practises in any of the courts or before any of the quasi-judicial tribunals, or in any other way, there are very extensive and detailed mechanisms for control and regulation of that practitioner's behaviour. We have in this Bill a right for any party to be represented before a review authority, and that really means that a person can, in effect, carry on certain legal work. If the advocate does not do the job well and the client suffers loss as a result—does not get an adequate settlement according to the injured worker's statutory rights—then there is no remedy against the advocate for so-called professional misconduct.

There is no indemnity fund from which the client can receive an indemnity. There is no mechanism for dealing with any of the misbehaviour of the lay advocate, and I think that is a matter of grave concern, particularly where the Bill opens up the opportunity for lay advocates to practise extensively in this workers compensation jurisdiction. There are no standards to be maintained. It may be that the advocate has no training at all, puts up a shingle and goes into the jurisdiction and purports to represent the injured worker. That is not good consumer protection. That really creates an evil which has not been addressed and which is not subject to any regulation at all.

I referred earlier to the fact that there is one legal practitioner, who is a left-winger, who was struck off the roll of practitioners of the Supreme Court for unprofessional conduct essentially related to workers compensation matters. That person is already an industrial advocate in the Industrial Commission and he is reported to be putting himself in a position to take advantage of this legislation if it somehow gets past the Parliament. In those circumstances, under this legislation that person who has been struck off the roll of legal practitioners will be let loose on injured workers with the full blessing of the Government and there will be no recourse, other than through the civil courts, against him for any misconduct, or any overcharging, remembering that the fees are not to be subject to the scrutiny of the Supreme Court as they are with legal practitioners. There are no protections for the community at all from the malpractice which might well ensue from this sort of person being let loose on the unsuspecting public in this jurisdiction.

If the Bill goes to Committee, the Government needs to give very careful consideration to this problem. I will not name the individual to whom I have referred, but he is probably well known to many people and it is quite obvious that he may well seek to gain a very handsome remuneration from acting for injured workers, I suppose with the blessing of some left-wing trade unions.

There are a number of other areas to which I could refer. As I indicated earlier, my colleagues will refer to a number of those issues in greater detail and if, for some reason, the matter gets through to the Committee stage, I will certainly be exploring those issues, along with my colleagues, in greater detail at that point. I reiterate that the Liberal Party has a fundamental objection to aspects of this legislation and it is because of that that we will oppose the second reading.

The Hon. R.J. RITSON: I, too, oppose the second reading of this Bill. In due course I will give my reasons systematically, but I want to begin by making a few remarks about the circumstances under which we find ourselves considering this Bill. It is a Bill which was introduced hastily and secretly and which we are now being asked to consider under pressure. I know that a Minister in another place said that this is a matter which has been around for many years, but this Bill is not a matter which has been around for many years: workers compensation is a problem which has been around for many years. The simple bare bones of the Byrne committee report have been around for many years, but the Bill itself has not been around for many years.

The Bill addresses a whole range of matters which were not contained in any Government discussion paper and which were not envisaged by people affected by this matter. During the debates in this Council (and I forget the exact occasion) in the time just prior to the election I made the point that the Government seemed to be avoiding doing anything about workers compensation. During the second half of last year we waited and waited, but we did not see a Bill. I suspect that that was because there was an election in the offing and the Government, in my view, misled commerce and industry and obtained their apparent superficial support. It did not want to dispel that support and take the lid off Pandora's box, as it were, by allowing people actually to see a draft Bill prior to going to the polls.

After the election, around Christmas time, the Bill appeared. Officially, at that time it was not sent to the Opposition, but a typed script of 100 pages plus, which was very difficult to read, began to surface in small quantities. For instance, the Australian Medical Association received one copy, as did, I understand, the Law Society. Members who know anything about how the various community and professional organisations work will know that it is nigh on impossible for those organisations to canvass the views of their members in a matter of one or two weeks. Most of those organisations are broad umbrella organisations which have subcommittees representing different classes of businessmen or different classes of doctors. Those committees tend to meet monthly, so the first thing that an organisation would need to do would be to make a number of copies of such a Bill and send it out to its affiliates or members and

wait until the next meeting before the process of receiving feedback could begin.

I am sure that members also know that December and January are the silent months and it is unusual for organisations to schedule meetings in those months when it is difficult for organisations to contact their members and arrange meetings. I know that when I received my copy of that first draft of the Bill, to make 20 copies of it, with its 100 plus pages, and collate them in order to distribute them to people who I believed would be interested in the matter, required one whole day of secretarial labour. The first thing that occurred to me was that the Government was making it extraordinarily difficult for people to find out about this Bill, for large numbers of people to read it and for various interested organisations to consult with their membership prior to the time at which the Government stated that it was urgent to pass the Bill.

That brings me to the question of the so-called urgency to pass the Bill. I admit that the problem has been around for many years. The Bill, in its initial draft form, has been around for about six or eight weeks. The Council has just received, a matter of an hour or so ago, the printed form. If this Bill becomes law, the Government must set up a very large bureaucracy. As my colleague the Hon. Mr Griffin said, it is not merely a matter of starting to hand out money according to a different set of rules. A lot of people who have not considered themselves to be employers in the past will have to register. The ordinary householder who employs baby-sitters, along with many other people, will have to register and that means a big building, electronic data processing and a secretarial work force. There has to be a management and a board. There have to be working parties to lay out and delineate job specifications and there have to be advertisements, interviews and appointments. I do not believe for a moment that if this Bill was passed in 10 minutes from now that the Government would have such a large organisation planned and up and running to enable it to proclaim the Act under six or 12 months.

Where is all this urgency that the Minister in another place has spoken about? Quite clearly, it is a political urgency and the draft Bill, withheld until after the election, was not submitted to the Opposition but given with some grudging grace in very small numbers to representatives of interested organisations in the silent months and then brought into this place with demands that it be passed immediately.

This Bill of 72 pages contains 127 clauses, three schedules, and a large definition section which gives to words meanings other than their natural ones, so that all the clauses have to be read with the unnatural and statutory meaning of the words in mind—very difficult reading and very difficult to interpret, yet it is urgent to do the Bill in 10 minutes! I believe that there is a political urgency to get this Bill out of the way before some organisations have had a chance to study it; before they have really understood; before they have really talked to actuaries, and to the industrial medicine specialists to learn what will happen; before they have had a chance to lobby the Democrats; and, indeed, before the Democrats have had a chance to comprehend the whole matter in any depth.

My heart goes out to the Democrats in this situation. At least the Opposition can have several people doing work in several different directions and can provide various members to meet with various interested parties before meeting as a Party to share the information. I am sure that the two Australian Democrats in this place will have received such a quantity of lobbying that it will be extremely difficult for them in the given time to make their own honest appraisal of the Bill.

I believe, as I said before, that the urgency is not to proclaim the Bill. As I have said, if it is proclaimed tomorrow it will be six or 12 months before we see the corporation on the ground. The urgency is to sneak this Bill past the Parliament whilst the Democrats are suffering from information overload from all of the lobbyists.

Having said that, I now say that there is a problem and that the Parliament cannot simply do nothing about workers compensation. Over the years costs have risen to the point where it is such a serious on-cost to the cost of production that our goods and produce are gravely disadvantaged when compared with goods produced by other countries. The Australian economy, at the latest report, is revelling in a $21 000 million accumulated balance of payments deficit. This is because our goods are more expensive to buy on world markets than are other people's goods. That is a serious problem for our economy. It is a serious problem for our State, which has such a small manufacturing base when compared to States such as Victoria. Therefore, we cannot allow those cost pressures to continue to rise. One of the significant cost pressures on South Australian production has been the inexorable rise in the cost of workers compensation.

I have the utmost regard, sympathy and compassion for the just rights of injured workers. When I came into this Council, within about 12 months of my election I lobbied my own Party around the corridors for an increase in the ceiling lump sum for people who were permanently disabled but who did not have a fault-based claim at common law. Indeed, it was my own Party that increased that figure from $25 000 to $50 000.

On talking to senior people in the insurance industry who know (and the insurance industry is fairly fragmented and has not produced a solid and consistent argument on this point), the people I consider to be the best informed say to me, 'Look, we don't care if the people who are seriously disabled get more—give them their $500 000 if they are genuinely totally physically disabled and be done with it.' Other aspects of the problem have attracted their attention.

There is no doubt that workers compensation has become part of a class warfare, part of the dialectic of class. The leadership of some unions, I think perhaps believing that it is doing its members a favour, advertises quite regularly the symptoms of compensable injury and disease. Apart from perhaps alerting some workers to the fact that they may have a claim for a matter that they did not think was compensable, this positive espousal of the idea of claiming has produced a number of unreasonable and unfounded claims that have increased the cost of the system.

As I have said before, my heart goes out to the people who are genuinely and seriously injured. I lobbied for them within my own Party. However, the fact remains that at the other end of the scale there are people, regrettable as it may be, with a genuine injury with which they could do some work but who prefer to do no work. There are people who with a minor injury such as a sprained ankle are prepared to limp around the golf course but would not be prepared to limp to work. Those sorts of attitudes by some people—not the gravely injured person but some other people—have been a cause of rising costs.

I do not exempt management from some criticism here. A war requires two warriors and some of the studies that have been conducted about management's attitude to injured workers have demonstrated that psychological overlay, if one likes to refer to it in those terms, can be created by the attitude of the boss rather than the attitude of the worker. Studies have indicated that rehabilitation is more successful in cases where the injured worker is visited at home or in hospital by the boss than where the worker is largely ignored by the employer once he is no longer an economic unit of production.

Therefore, I am not making any one-sided judgments on that issue. However, those thoughts lead me to my next observation, that about half the world literature on the subject of compensable injury and workers compensation happens to be medical and to refer to some of the matters to which I have just referred. Yet this Bill, pretentious as it is in describing itself as a 'rehabilitation Bill' and a 'compensation Bill', although it had 72 pages, 127 clauses and three schedules, has only one and a bit pages that deal with rehabilitation. Those one and a bit pages indicate that the Government has no real understanding of what it proposes to do in this regard; it has put that one and a bit pages of motherhood statement into the Bill and will cross its fingers and hope that things turn out all right. I tell you, Madam President, that things will not turn out all right if that is its approach to a rehabilitation Bill.

The Commonwealth Government established a rehabilitation unit on Payneham Road, called St Margarets, which provided the citizens who wished to attend with all forms of assistance, including orthopaedic, paramedical, physiotherapy and psychiatry. However, the Commonwealth Government has just closed down that unit as a failure. The unit was attempting to get people off invalidity pensions but found that it could not do so. I wonder what the State Government has in mind in devoting that 1½ pages of trite motherhood statements about rehabilitation in a Bill of this overall size. Does the Government have another St Margarets in mind? During the course of this debate the Government must tell us a lot more about what it hopes to achieve in terms of rehabilitation, or we could see a repeat of the St Margarets exercise.

Those initial thoughts and broad principles relate to my preliminary anxieties about the Bill. I shall now deal more specifically with various aspects of the legislation. I want to talk for a moment about justice. On this question, personally I thoroughly support the attitude of the unions on the question of common law claims. Madam President, if I were to negligently injure you, you would have a right to recover your real damages, which may indeed involve merely the loss of salary. However, following an injury involving the loss of, say, a little finger a real damages claim by a concert pianist would indeed be much greater. Every citizen has a right before the law in this regard, although in certain areas that right is to be removed. The right to recover real damages for loss of wages will be removed by this Bill, and that is a denial of justice to people who might have a special claim in negligence for economic loss.

I propose to argue in this debate that in many cases the proposed pension will be a greater compensation than would be a lump sum. This is one of my arguments about the global costs of the scheme. I imagine that there would not be many cases where an injured person would be seriously disadvantaged by the loss of common law rights, as the Bill proposes, but there would be some. Some people would lose an income far greater than compensated for by the ceiling pension. This may involve only one or two a year, and it may be not that much of a big deal in total economic terms, but it is a big deal in terms of justice. So, I support the stance taken by the unionists who have expressed anxiety about the changes to the common law rights of workers. If I had the power to do so, I would put back in this Bill the right to claim for real economic loss where there is negligence.

If I were visiting a friend at his work place and there was an explosion due to a gas leak and both of us were injured, it would be absurd for me to be able to recover my real economic loss, because I was not employed there, while my friend could not do so because he was employed there. This problem has probably arisen in the Bill because of some evolutionary changes in practical terms in the way in which decisions of the courts have tended to operate in common law matters. It is axiomatic in English and Australian law that loss shall lie where it falls unless there is a good reason for shifting it to another party. On the other hand, other principles of social justice dictate that a person who is destitute and unable to care for himself should be cared for by the State, that is, by all his fellow citizens, and supported at a level consistent with human dignity, good health and nutrition.

The real problem arises when we try to use the first principle—the common law principle that loss shall lie where it falls unless there is a good reason for shifting it—to advance the social justice principles that dictate that everyone deserves a basic subsistence, regardless of merit. In my view the courts have in an evolutionary way given greater and greater attention to sympathy for the victim and to the insurer's ability to pay. They have given less attention to contributory negligence, and more attention to secondary damage. Thus, not by a conscious decision of any judge or any one court to change the principle but by this process of evolution there has been a tendency for some of these common law settlements to operate as a form of social justice, a form of social welfare.

I think it would have been quite possible for the Government to draft some statutory provisions to tighten that up and make clear to the courts that, as a matter of statutory requirement, they are limited in their ability to extend these awards in the direction in which they have done. I would much rather have seen some new statutory rules that would tighten up matters of contributory negligence and the extension of awards to cover secondary damages, and so on, rather than seeing the abolition of the right to recover for economic loss at common law. Under the provisions of this Bill, most people who would have in the past received a common law award of perhaps several hundred thousand dollars will now receive a pension, and I hope to be able to show that that pension will be at least as valuable to them, if not more so. However, for just a few people—for example, the pianist who loses a hand—there will be a very special denial of justice, and that need not have occurred. My sympathies go to the unions on that point.

I now raise some questions without answers, relating to the matter of costs. First, it is quite clear that the Government has not costed this scheme. It has claimed to have costed it, and quoted a paper by Mules and Fedorovich as a costing of the scheme—or so it appeared in the Adelaide newspapers. However, I went to see Dr Mules whom I found to be a very nice fellow and a very professional gentleman. We spoke at length. He pointed out that he had not seen the Bill, although this was only a matter of three or four weeks ago, and after the Labor Government had said that he had costed the scheme. However, he had not seen the Bill.

He explained to me that he had done some work (and this goes back to 1984 and probably earlier) where he had costed essentially the pillars of the Byrne committee report with a lot of ifs—if that is all they do, if they do it that way, and if certain things happen. A lot of ifs that were fairly unanswerable! He presented that paper as an occasional paper to a seminar in early 1985. Therefore, I was astounded when I picked up my Adelaide newspapers a few weeks ago and saw that the Government had costed the scheme and that he was one of the authors of the costing. When I spoke to him he had not seen the Bill. There were a number of ifs with which he qualified his work: for example, it was assumed that, if a pension was granted instead of a lump sum, those workers who might otherwise tend to magnify their symptoms in the hope of getting a lump sum would lose that incentive, would not magnify their symptoms and therefore would get better quickly and

get off the pension quickly. That is an if. No work or research has been done on that area to support the if.

There is an alternate contention that I will now make: if a person receives a lump sum, he has received all he is going to get. Therefore, if he improves and is able to work, he will seek work. If a person is on a pension and then gets better, he loses the pension. That is a matter of primary importance because a lot of people experienced in dealing with patients who are subject to pensions (and I mentioned the St Margarets example) are well aware that it is extremely difficult to get people off pensions when the psychology of the illness plays a part in recovery.

I do not know whether the supposition in the Mules and Fedorovich paper was correct, namely, that if people do not get lump sums they will get better more quickly because they will not be tempted to magnify their symptoms in the hope of receiving a lump sum. I do not know whether that is correct any more than I know whether, if they receive a pension, it acts as a continuing reward for not getting better and therefore keeps them sick. All I am saying is that no-one knows. The Government does not darn well know—no-one knows. It is uncosted; it is a guess; and it is a multi-million dollar guess.

At this point I make a plea to the Hon. Mr Elliott and his colleague the Hon. Mr Gilfillan. Are they going to allow a Bill to pass into law when there are these multi-million dollar question marks that no-one has attempted to answer? There is another large question mark, the answer to which I think no-one knows. I refer to the relative cost of pensions versus lump sums, quite apart from the matter that I have just mentioned, namely, incentive to rehabilitation. To answer the question as to whether, with a given group of major disablements, a pension would be dearer or cheaper than a large lump sum one has to know many things. For example, one must know how many such disablements there are, what is their age and sex distribution, and what are the morbidity and mortality statistics? How long does today's 20 year old paraplegic live? In the 1950s it was only about 20 years. They had a foreshortened life span because they were particularly subject to a variety of urinary infections and other illnesses which shortened their life spans. I do not believe that that is so today, but who knows—who has done the mortality and morbidity figures on those cases? No-one in the Government!

No-one who has attempted to cost this scheme has even looked at that. We just do not know whether those people will collect a pension for 20 years or for 45 years. We do not know about the median age or the mean age of permanently disabled people, so we cannot calculate how much money must be invested to support these pensions, that is, if the scheme is to be fully funded. The other thing we do not know is the occupation distribution of those permanently disabled people. From what salary base, from what average notional weekly earnings will the pensions be paid? Are they all riggers earning $1 000 a week with overtime who fall from the heights of buildings; are they part-time messengers who have journey accidents on their bicycles? The Government does not know what salary base these new pensions will be paid from. That remains uncosted.

The other thing which remains uncosted and which is of much bigger significance is the admission of that group of people whom I call the no-fault people—the people who through no fault of anyone have an accident and whose compensation was then limited to $50 000 (and I think it is proposed to be $60 000). They are the people who would perhaps struggle for a year or two before facing the fact that they were permanently disabled and, having had a year or two on weekly payments, would then redeem the situation and receive a lump sum. In those situations I suppose the total amount that would ever be paid would be the equivalent of about two years or several years salary, and then the redemption sum (let us say probably not ever more than about $100 000).

Those people will now be admitted to the pension scheme so that it is not merely the people who would have had a claim for negligence, the people who might have received $250 000 or $500 000 who go on to the pension for the rest of their notional working lives. It is not merely those people: it is the people who previously had this limited no-fault accident cover. They now go on to the pension. Do they go on to the pension for 15 years, 20 years or 30 years? I do not know and the Government does not know. What cost inflations will be involved in servicing those pensions? I suppose a good actuary could have a fair guess at it. A good actuary may be able to work out the national and international inflation rates at various stages of the trade cycle since the industrial revolution and predict the inflationary and indexing effect and what it might come to over, say, 30 or 40 years. He would not be right—it would be a guess. If we were provided with such a guess, it would be better than anything that the Government has provided us with. The Government just does not know.

The Government has not provided any attempts at actuarial calculation, so we do not know how much will have to be invested to service the pensions of that group of people. How many people not previously covered will be regarded as employees? The Bill tells us that self employed persons carrying out work on premises for the purpose of carrying on a business will for the purpose of that job be employees.

I assume that, if someone owns a surburban office from which one conducts a business and if the man with the local lawn-mowing service cuts the lawn, that man becomes an employee. I wonder whether he would really want to be classed as an employee for the purpose of this legislation if he knew what he was losing. The loss of the common law right to sue for real damages will be the result. He might have felt in the past that, if he mowed the lawn in front of an accountant's office and if the accountant had left a pile of bolts in the grass and if a bolt hit him and he was blinded, he could sue the accountant for negligence, for real damages, perhaps receiving several hundred thousand dollars, but he will be very disappointed to learn that, because under this measure he is an employee, he has lost that common law right. I say to members opposite who are in positions of influence in unions that they should put that to some people who are at present self-employed or independent contractors and who are about to become employees and ask them to consider not the benefits of limping to the mid-week races on a compo ankle but the loss of a common law right when someone is blinded by negligence.

A funny thing happens when Governments introduce measures like this. They make certain promises and, at the risk of diverging I am reminded that Mr Hawke made several promises, two of the three being attainable but all three never being attainable. There was a promise to reduce taxes, another to reduce the deficit and a promise to extend welfare. Any two of those three promises could be achieved, but all three could not be achieved. Members opposite have referred to the Victorian scheme, which is similar to the scheme proposed here and which is said to be working well in Victoria. It is useful to note what happened to the Victorian scheme.

The very first thing that happened in Victoria (very similar to the situation here) was that the Government of the day approached the captains of industry with certain promises—not with a Bill for them to look at, not with something they could read, not with something that Parliament could debate, but with a promise and a discussion paper. The promise was that workers compensation payments would

be vastly reduced. The Ford Motor Company in Victoria, which was then paying about 10 per cent for workers compensation, was promised that it would pay no more than 4 per cent. Naturally, the captains of that industry, seeing their responsibility only to their next year's dividend, came out very strongly in support of the Government's plans in Victoria. That makes me wonder what was said last year to the Chamber of Commerce and Industry, because it came out very strongly in support of the proposition despite the fact that it too had not seen a Bill. In Victoria copies of the Bill were scarce. A telex from an actuary to the Ford Motor Company (and I will leave out the names) states:

> Urgent telex. Dear...to Ford Motor Company of Australia. I understand you may have been one of the privileged few having a draft copy of the proposed workers compensation Bill.

That rings a bell. South Australia has followed that track. The telex goes on to describe actuarial figures and points out to the Ford Motor Company that, if the promised reductions were effected and if the other Government promises to the other sectors of the community were carried out, there would be a deficit—that is, something does not add up. What did not add up was that there would be an excess on top of the levy that would be met by employers amounting to $2 000 a claim. That was an actuarial calculation based on the promises made to the Ford Company. Of course, what happened was that not all the promises were kept: two of the three promises were kept. The first promise was that the Ford Motor Company and the motor industry in general would pay no more than 4 per cent, and they were levied at 3.8 per cent.

The next promise was that the global aggregate cost to the whole community would be reduced to 2.5 per cent of wages, and that promise was kept. The third promise is where we get into trouble because, if we look at the Victorian *Hansard* we find Mr Jolly, the Minister, reassuring all businesses: the Ford Motor Company has been bought already, so they could forget about them. But the other businesses were concerned about what would happen to them, particularly since the actuary said in the telex to the Ford Motor Company that it did not add up, that there would be an excess that would have to be borne by business. Mr Jolly in the Victorian House of Assembly on 24 October 1985 (page 1261 of *Hansard*) said:

> All honourable members should know that the Government's position is that if a firm can demonstrate on a comparable basis that it will pay more under Work Care than it would have paid under the old system the premium that applied in the previous year would apply this year. Also at the conclusion of the first year of the operation of Work Care, a bonus system will be introduced.

In other words, there was a promise not only that, regardless of anything else, employers could not possibly pay more but in addition that they might get a bonus. Let us see what turned up in the legislation. Section 31 (1) of the Victorian Act states:

> Where, on the application of an employer . . . in respect of all establishments operated by the employer is greater than the total amount of the insurance premium that the employer would have paid in respect of those establishments but for the Act—

and here is the crunch—

> the commission may determine a prescribed rate lower than the relevant prescribed rate . . .

The Minister gets up in the House and says that no-one will pay more and that bonuses will be paid, but the Act says that the commission may determine a prescribed rate that is lower. Then we look at what happened, as the bit that did not add up comes home to roost. The Ford Motor Company got its deal. The total amount of premiums was reduced to the promised level of 2.5 per cent of wages which, incidentally, is about what South Australia is starting from now.

Suddenly, a lot of people have to pay more. I want to read from some letters from small businessmen demonstrating that what in fact happened in Victoria was that more was promised than could be delivered. The promise to big business was kept, to get the captains of industry on side politically in the early days of the politicking, and the hidden bit was sloughed off on to small business.

I think we could begin by having a look at the way the tribunal behaved in Victorian terms of who is an employee. A letter to the Accident Compensation Settling Agency of 447 Little Collins Street, signed by the general manager of a firm I will not name, reads:

> We are an agency with some eight staff employed in our office and use the service of subcontractors and independent contractors of which Mr X is one. At no stage was Mr X ever employed by us, nor has he been, nor is he bound to carry out work exclusively for this company.

The rest of the letter points out that Mr X did delivery jobs and charged the clients the full fee, but he gave commissions to some of the agents who passed the delivery jobs to him. He broke his leg: a lot of dispute occurred, and in the end the tribunal said, 'Yes, he is an employee.' I suspect when our Bill becomes law there will be many cases before the tribunal (and perhaps appeals to courts of law) seeking clarification of when is an employee not an employee. The Hon. Mr Griffin raised the question of babysitters, and the Attorney-General, by way of interjection when Mr Griffin said they might be employees, said, 'Yes, so they should be.'

It is clear that if this Bill comes into operation the question of who is an employee and which citizens ought to be registered to cover their odd job people is going to be contentious and give rise to cases before the tribunal just as it did in Victoria. Here we have an interesting one: Melvin Cake Decorations (and I do not think they would mind my referring to their letter) are pretty steamed up about it, because they relied on Mr Jolly's promise that no-one would pay more and you might even get a bonus back—and they paid more: they paid 33.7 per cent more. They were particularly upset that their firm has principally a staff consisting of managerial and clerical people and pastry-cooks, but they have a commercial traveller. All of the staff were classified as having the risk factor of the commercial traveller.

Quebec Couriers Limited: this is an interesting one because Quebec Couriers had a small office staff of eight, and there were a number of subcontractor owner-drivers providing services to them, amongst others. Not only were those people held to be employees, but they were held to be not in the courier business but in the road freight transport business: quite a different and higher risk with quite higher premiums. Not only were the independent contractors driving courier cars held to be employees and road hauliers, but the office staff were also held to be road hauliers. They were all charged the same higher rate. My file on this subject is quite thick, but I really only brought the first and last pages to Parliament. The first page describes the problem. In between the first and the last page there were lengthy disputes by mail, and the last page is a letter to the Accident Compensation Commission of 436 Lonsdale Street, Melbourne, and reads:

> Dear Sir/Madam,
>
> We acknowledge receipt of your letter of 29 November regarding our industry classification and your refusal to amend our ludicrous classification. It certainly appears strange that confirmation as to a business classification can be made without any contact or visit to the premises. We have informed all our staff that, as from 31 December 1985, they will be dismissed and will no longer work for Quebec Couriers.

Some victory for the system: all of their staff dismissed! I have more letters, but I will not read them. The one thing

that stands out loud and clear was that in Victoria the captains of industry were charged a good deal less than their risk factor indicated. Promises were made about global reductions in the total cost of the scheme, and the promises in the middle could not be kept. The discrepancy in the whole set of arithmetic was sloughed off on to small business. Our Bill will certainly permit of this, and I shall just touch on one aspect of our Bill: the vagueness of it and the powers which the new corporation will have to make regulations of almost a legislative kind.

My colleague the Hon. Mr Burdett is, in fact, going to elaborate on some of these matters, so I will not enter that field except to say that in the Victorian Bill the various classes of employer are laid out in the body of the Act, and the various classes have in the Act a statutory ceiling to the amount that can be levied against each class. That is why, when the authority in Victoria had to make two plus two equal seven, they could not simply raise levies here and there: they had to shift people from one category to another.

I have an example of someone who sold lamp shades, who was classified as a manufacturer of electrical machinery. Indeed, I wish the gentlemen of the press were still here, because in that State the premiums of the newspaper businesses rose 90 per cent because only about one third of the staff of a newspaper is at risk from machinery; the rest are in office or journalistic occupations, but in Victoria the newspapers were all put into the category appropriate for them to be operators of the machinery, and their premiums rose 90 per cent.

Our Bill refers in parts—and refers vaguely—to the classes of employer. It also refers to assessment periods, levies, and supplementary levies, and that is all, but it also confers the power to make regulations on any matter contemplated by the Act. I would imagine, therefore, that it would have the power to make regulations classifying employers and setting levies to be paid by each classification of employer, but we do not know whether the Government is going to do that. At least in Victoria they did it in the Act, and just worked their wizardry by playing around with definitions within each class of employment. But we do not know what classes of employer might be laid down by regulation.

We do not know what ceilings of levy on each class of employer might be fixed. All we know is that the Government in South Australia has repeatedly referred with great admiration to the Victorian Act. There are other questions of administrative cost which bother me. I guess the sort of thoughts that emerged at about the time of the Byrne committee and the thoughts which motivated the Mules and Fedorovich paper would have been that legal fees add a great deal to the system. If we get rid of the legal fees, maybe the cost of the administration of the new body will be less than the legal fees.

I want to make the first point that the dispute solving mechanism that is proposed, that is, the tribunal, duplicates that which used to be performed by the courts. The administrative costs of the courts involving the cleaning and maintenance of the building and the electricity bill is borne by the public at large and is not specifically laid at the door of the cost of production. However, we are now building a tribunal which is a charge against the cost of production, because it will be supported by the funds that will be collected under this Bill. That is something which bothers me somewhat.

The ordinary day-to-day administration is another factor. The Hon. Mr Griffin referred to this problem of building an empire and then employing people to service the people whom you are employing. I think that if we want some sort of guide as to whether our initial assumptions about administrative costs are likely to hold true, we can again look at the Victorian situation. In Victoria the Opposition made some sort of accusation that the scheme there was running at some hundreds of per cent over budget. The scheme in Victoria is different from the scheme proposed here, in that at least in Victoria the management of the money does not lie within the commission. The commission is a supervising, regulating and dispute solving body, but in many ways it acts as an insurance brokerage eliminating private-for-profit insurance brokers, but nevertheless having arrangements with private underwriters for the claims payments. So, it becomes very difficult to tell whether in fact the matter of premiums in claims payments out and provision of reserves is functioning in the red or the black in Victoria.

When the Liberal Party asked a question on that matter, it did not receive an answer to that part of its question but, rather, it received an answer about the administration of the tribunal to the effect that it was not hundreds of per cent over budget. The Minister said that it was only 28 per cent over budget. That was because of unforeseen administrative costs, so I suppose unforeseen administrative costs are so usual when new things like this are tried that we must expect some unforeseen administrative costs also.

We are creating a situation which duplicates the courts and which will have unforeseen administrative costs, and from the Bill we do not even know whether it will be fully funded. By 'fully funded' I mean that, when claims are made, sufficient money is invested and compounded at actuarially calculated interest rates to service that cohort of pensions for the expected duration of that liability. Obviously, if the Government intends to go ahead with this on a pay-as-you-go or a partial pay-as-you-go scheme, then it will be able to pretend to deliver the goods in the first instance, because in the first year of operation those people who become totally disabled who would have received their six figure sum will instead receive the first year's payment of their pension. The total payout that year will be a great deal less and it is quite possible to start a pay-as-you-go scheme virtually on a shoestring. Even if you started off on a shoestring plus reserves but the reserves are just a few hundred million tossed into a bin with guesswork and the figure is not really calculated to be self-funding in the long run, then year by year you build up a bigger and bigger deficit and liability.

Of course, for a time, one can avoid raising premiums by borrowing. I suppose that it would be most irresponsible for a fund like this to borrow to meet claims rather than raising its premiums. Of course, the Act gives it the power to borrow, so I think that we are entitled to ask the Government for assurances that it will indeed be fully funded. I think that when we look at the amount of shadowy manoeuvring in dark alleys that has gone on in the manner of the introduction of this Bill and its release in the silent months with a few copies, we are entitled to ask not merely for a statement that it will be fully funded, but also for a copy of the actuarial calculations that back the Government's contention that it will be fully funded.

As other speakers have said, there is much, much more that could be said about individual clauses. Members on this side of the Chamber find many aspects of the Bill which, should it come to Committee, must be improved. Doubtless, in that circumstance many amendments would come from both ourselves and the Australian Democrats. But I believe that it is premature to go into that in detail, because I believe that the major questions which need to be answered are: justice and the common law; whether the pensions are cheaper or dearer than lump sum payments; and rehabilitation and whether some of these financial provisions that we see before us are disincentives to rehabilitation.

I am sure that the members of the Australian Democrats are well aware of how many fundamental matters of prin-

ciple and how much arithmetic need to be put before this Council before it can even decide whether or not it wants this system. I hope that they join with us in delaying this Bill for some months so that we can have those matters answered. If, after that, the matter comes back and we find ourselves dealing with it clause by clause in Committee, then many small things can be picked up in each clause as we go along which will perhaps improve the Bill.

I beg the Australian Democrats to consider all these matters and their very, very heavy responsibility to South Australia for decades to come. I ask them also to remember that this is a Bill which will never be undone once it is law; it will be there as a monument to our folly if we get it wrong. Having said that, I repeat that I oppose the second reading, because I think that there is so much wrong with it that it would be better to start again and get it right. We are in the hands of the Australian Democrats, so I commend this set of problems and unanswered questions to them. In so doing, I remind them of their responsibilities to South Australia.

The Hon. J.C. BURDETT: I oppose the second reading of this Bill. If the principle of the Bill is to streamline rehabilitation and compensation procedures and make them more effective and less expensive, then I certainly support that principle. At the present time the cost of workers compensation is enormous, being usually the third highest cost to industry, coming immediately behind labour costs and raw material. If the cost can be reduced while maintaining the standard of compensation, that is excellent. It is disgraceful that we are asked to deal with this Bill while we still do not know whether it will reduce or increase the cost of compensation.

We ought not consider this Bill until we have the Auditor-General's assessment, based I trust on actuarial advice of the cost. The present high cost of compensation is crippling industrial development and employment and is being passed on to the consumer.

The corporation set up by the Bill is an astonishing creature. It levies the employers for their contribution to the fund; decides which employers shall be exempt; considers applications for compensation, which are made on forms which it has determined; lays down its own rules as to how it deals with applications; makes its determination on the application; and then itself pays the compensation which it has determined out of funds which it has collected.

The Hon. R.J. Ritson: It is a real Pooh-Bah, isn't it?

The Hon. J.C. BURDETT: Indeed, that is what I am coming to. If it does not have enough money it even has the power to make a supplementary levy and raise some more money. The Minister of Health has from time to time accused me of being Dickensian. Whatever the truth about that corporation set-up by this Bill is positively Gilbertian: it is, as the Hon. Dr Ritson interjected, a veritable Pooh-Bah. Members will recall Pooh-Bah saying:

> Of course, as first lord of the Treasury I could propose a special vote that would cover all expenses if it were not that as Leader of the Opposition it would be my duty to resist it tooth and nail, or as Pay-Master General I could so cook the accounts that as Lord High Auditor I should never discover the fraud. Then, as Archbishop of Titty Pooh it would be my duty to denounce my dishonesty and give myself into my own custody as first Commissioner of Police.

That is exactly what the corporation does: it carries out a whole host of duties which should not be vested in one body and which are mutually conflicting. The built-in conflict of interest is enormous and, to cap it all, the Minister has the direction and control of the corporation. But I suppose that the Mikado had the direction and control of Pooh-Bah.

The power of delegation in clause 16, which has been referred to by the Hon. Mr Griffin, is alarmingly wide and makes the already wide powers of the corporation to which I have referred even more disturbing. Any of its powers may be delegated to anybody. This would include, for example, the power to enter into contracts, establish offices, levy employers, fix lump sums in respect of certain compensable injuries under clause 43 (3), which is almost a power to legislate, and so on. The power to which I have referred under clause 43 (3) is as follows:

> Where a compensable disability in respect of which compensation is payable by way of a lump sum under subsection (1) is not mentioned in the third schedule, the lump sum shall be fixed by the corporation as a percentage (not exceeding 100 per cent) of the prescribed sum . . .

As I have said, this and other powers of the corporation almost amount to powers of legislation. In my Address in Reply speech I criticised the Government for dealing with some matters by regulation which could more appropriately be dealt with by Act of Parliament but at least Parliament has some control, albeit limited, over regulations. It has no power or scrutiny over matters determined by the corporation under this Bill. Clause 44 (1) *(b)* (ii) (B) (and that enumeration demonstrates the complexity of the Bill) provides:

> in the case of partial dependency—such lesser percentage as may be fixed by the corporation . . .

Under clause 44 (1) *(d)*, the corporation determines the payment to which a dependent relative is entitled. Clause 44 (11) provides:

> Where the child of a deceased worker who is entitled to weekly payments under this section is under the age of 18 years and is in the care of a person other than a dependent spouse of the worker, that person shall, if the corporation so determines, be entitled to a supplementary allowance to assist in the care of the child . . .

Once again, the corporation, first, makes the rules, interprets them and then applies them in particular cases. It does all the various things that Pooh-Bah did, with all the inconsistencies and different interests which apply. Clause 44 (12) provides:

> A liability to make weekly payments under this section may be commuted in whole or in part, to a liability to pay a lump sum representing the capitalised value of those payments.

How is the capitalised value arrived at? I suspect that the formula is yet another example of the corporation's determining it. Clause 51 (8) provides:

> The corporation may, by notice published in the *Gazette*—
> *(a)* exclude from the application of this section minor disabilities of a class specified in the notice;
> *(b)* vary, in relation to cases of a specified class, the time at which an employer is required to report to it under this section.

Once again, the corporation makes the rules, interprets them, and applies them in individual cases. Clause 52 (1) *(a)* provides that a claim made by a worker must be in a manner and form approved by the corporation. Again, one would have expected the form to be in a schedule to the Act or to be prescribed by regulation, when there would have been some parliamentary scrutiny.

I object to the excessive and conflicting powers of the corporation. These ought to be addressed by amendment in the Committee stage, if the Bill passed the second reading. I next refer briefly to the definition of 'spouse', which reduces the required period of cohabitation to qualify as a putative spouse from five years in the Family Relationships Act to three years. Does this signal the intention of the Government to amend the Family Relationships Act and the other package of Acts passed at the same time by reducing this period? If not, surely it is a shame to have an inconsistency. Surely, if one has quite a package of Acts passed at the same time and the principal one was the

Family Relationships Act specifying a period of five years, or five out of the last six years, then if this Bill (if it becomes an Act) mentions three years, or three out of the past four years, that is a strange sort of inconsistency. I can only think that probably the Government intends to amend the Family Relationships Act and the rest of that package to reduce the period. I wish that it would signal its intention in this regard instead of sneaking it into this Bill.

For those reasons and the reasons that have been given by my two colleagues who have already spoken in this debate and others who will follow, I oppose the second reading. If the Bill passes the second reading stage certain matters to which I have referred and other matters which have been raised by my colleagues will need to be addressed. I oppose the Bill.

The Hon. M.S. FELEPPA: I congratulate the Government on bringing this Bill before the Council. I will contribute more to this debate during the Committee stage, when I will be introducing some amendments.

The Hon. L.H. DAVIS secured the adjournment of the debate.

TECHNOLOGY PARK ADELAIDE ACT AMENDMENT BILL

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

The Hon. BARBARA WIESE (Minister of Tourism): I move:

That this Bill be now read a second time.

This Bill seeks to make two main amendments to the Technology Park Adelaide Act 1982. First, it seeks to increase the membership of the Technology Park Adelaide Corporation from six to eight members, through the appointment of two additional State Government nominees. Secondly, it seeks to enable the corporation to appoint officers without requiring the Governor's approval of such appointments.

The Technology Park Adelaide Corporation has demonstrated itself to be an effective organisation which has brought together a unique blend of private, tertiary and Government sector expertise to deal with the task of promoting technology development throughout South Australia.

The rapid pace of development at Technology Park has aroused Australia-wide interest, as has the concept of Innovation House, Australia's first 'incubator' complex. The Adelaide Innovation Centre is an outstanding success and considered the model centre in Australia and I am confident the recently announced Microelectronics Applications Centre will prove equally successful.

The success of corporation initiatives is in large part a consequence of the corporation structure—through the membership of the corporation a wealth of private sector expertise and experience has been tapped, important links forged with the tertiary institutions and the co-operation and support of the Commonwealth Government realised.

In view of the increasingly broad range of initiatives administered under the umbrella of the corporation, it is considered appropriate to increase the membership from six to eight through the appointment of two additional State Government nominees. With respect to the appointment of staff the corporation is subject to the general direction and control of the Minister and must specifically seek the approval of the Governor. In relation to expenditure of moneys the corporation must seek the approval of both the Minister and Treasurer.

The necessity for the corporation to seek Cabinet and the Governor's approval to make staff appointments following approval of its budget by the responsible Minister and Treasurer is unnecessary and it is proposed to amend the Act to enable the corporation to appoint officers without reference to the Governor. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clauses 1 and 2 are formal.

Clause 3 provides for two additional State Government nominees to be appointed by the Governor to membership of the corporation, thus increasing the total membership from six to eight members.

Clause 4 increases from four to five members, the quorum required at a meeting of the corporation. Clause 5 removes the requirement that the Governor's approval to appoint corporation staff and his approval of their conditions of appointment be obtained and enables the corporation to engage such employees as it thinks necessary to perform its statutory functions.

The Hon. L.H. DAVIS secured the adjournment of the debate.

INDUSTRIAL RELATIONS ADVISORY COUNCIL ACT AMENDMENT BILL

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

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

That this Bill be now read a second time.

This Bill has one simple purpose, namely to extend the operation of the Industrial Relations Advisory Council Act, from its present expiry date of 28 July 1986 to 30 June 1990. The Government has been pleased with the work of the Industrial Relations Advisory Council since it was established on a statutory basis in 1983 after the election of the Bannon Government in the previous year. The work of the council has ensured tripartite consultation on matters of industrial relevance and in particular on legislation of industrial importance. The success of the council warrants an extension of the principal Act for a further period. The extension has the support of the United Trades and Labor Council and several major employer associations. The Government commends the continuing role of the Industrial Relations Advisory Council in the industrial sphere of this State.

Clause 1 is formal. Clause 2 amends section 13 of the principal Act to extend the operation of the Act to 30 June 1990.

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

INDUSTRIAL CONCILIATION AND ARBITRATION ACT AMENDMENT BILL

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

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

That this Bill be now read a second time.

Section 80 of the Industrial Conciliation and Arbitration Act prescribes the general standard for sick leave provisions for employees in South Australia. The Act, however, along with most State awards, is silent in relation to what happens to the sick leave credits of employees on the transmission

of the business from one employer to another. In practice it appears that most larger businesses do accept the transfer of sick leave credits upon transmission of the business. However, with many smaller businesses, this simply does not occur.

The Government believes that as an important industrial principle there is no reason why the sick leave credits of employees built up through previous service with a business should not be recognised by the new employer following transmission of the business. The appropriate apportionment of costs should be the subject of negotiation of the new and previous employers upon transmission of the business.

The proposed amendment has received the consideration and support of the Industrial Relations Advisory Council and does, I believe, redress an important anomaly in this area of industrial law. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 provides for the amendment of section 80 of the principal Act, the section that prescribes the general standard for sick leave provisions for employees in South Australia. The proposed amendment provides that where a business is transmitted from one employer to another employer the continuity of service of an employee for the purposes of determining sick leave entitlements under section 80 shall be deemed not to have been broken and the period of service of the employee with the former employer shall be deemed to be service with the new employer. The provision will operate in relation to service both before and after the commencement of the amending Act.

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

COOBER PEDY (LOCAL GOVERNMENT EXTENSION) ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 February. Page 278.)

The Hon. PETER DUNN: In supporting this Bill might I say that this is the culmination of many years of effort by the Coober Pedy miners and all the people in that area who have been affected by not having a regular supply of potable water. For many years the people there did without potable water. However, the matter came to a head late in the 1970s when there were several quite severe fires up there, and it was deemed to be necessary to have a regular supply of pressurised water so that, first, firefighting could be effective and, secondly, there was water for washing and showering and running a small garden. Most members here should realise that water in the northern areas is very expensive, no matter where one is. Because the rainfall at Coober Pedy is considerably less than 10 inches a year (in world terms considered to be a desert), the catching of water is of prime importance.

There are considerable quantities of underground water in the area, but it is high in saline and other salts and it is necessary to treat that water before it is suitable for human consumption, not for drinking but for general purposes. One of those of course is showering. The cost of water in Coober Pedy has, to say the least, been bizarre in recent years. In fact it was so expensive—about $50 to $60 per 1 000 gallons—that on my calculation of using 20 gallons for a shower (and that is not being unreasonable) the cost of one shower was $1.10. However, the same quantity of water in Adelaide would have cost 5 cents. That gives some idea of what was happening in the Coober Pedy area.

Coober Pedy continues to grow as a town and the demand has increased. Therefore, there has been this necessity to supply water. For a number of years the townspeople tried to get the E&WS Department to put in a system that would supply them with water from an area some 20 miles north-east of Coober Pedy. That was unsuccessful but the people continued with their endeavours.

They then approached it through the help of a CEP project. They were able to get together enough funds locally, enough labour and funds from a CEP grant and they were able to put in an underground pipeline and run it close to the town, with the water being treated by a reverse osmosis plant. They now have a reticulated system running past most of the blocks in the area of Coober Pedy. However, Coober Pedy is very spread out and even though there is something in the order of 4 500 to 5 000 people there at times in the middle of winter when it is very hard to determine their exact numbers and where they are living.

This Bill formalises the local government authority. At the moment it is not a true local government body as we know it here but it is run by the people themselves with the assistance of this Parliament. The Bill will allow them to set up a system whereby they can recover the rates, rents, taxes and amounts of money required for capital improvement for that project—and rightly so. I have visited Coober Pedy since the water has been laid on and the people are ecstatic about having water. They can now have a pot plant or a cactus growing in the backyard. I visited one place where the occupants were very proud of their five square metres of lawn, even though it was costing them a considerable amount to grow. Even today with water costing something in the order of $20 a thousand gallons under the old system (which is in the order of four kilolitres), it is still extremely expensive compared to costs in the rest of the State. Even so, they are delighted that they have water, and it is a very worthwhile project.

This Bill, as the Minister has pointed out, is a hybrid Bill and deals with both Government and private instrumentalities. Therefore, before it can become law it is necessary for people to give evidence to Parliament through a select committee. I understand that that will have to be set up. Part of the Bill allows for the formation of a select committee so that in the future we can look at the establishment of local government in its own right at Coober Pedy. The Minister has suggested that perhaps we could set up that committee and bring down an interim report to allow the first part of the Bill dealing with the recovery of rates for water early in the next session; the committee could then investigate the feasibility of Coober Pedy governing itself locally: that is, it could deal with its own roads and all the things that are so important to local government and to the people. I am sure, even though the community of Coober Pedy is very diverse with an enormous number of nationalities and people with wide divergences of opinion, local government would work extremely well there at the moment. However, it is for a select committee to determine that point. It is with that in mind that I support the Bill.

The Hon. C.M. HILL: I support the Bill, and I make some comments in regard to one aspect of it. I was on the original select committee which recommended this course of action in 1981 to introduce the parent Act. Indeed, I was Chairman of the committee. At that stage in its deliberations the committee came down by a fairly narrow margin with the recommendation that this form of local government be introduced. The view that the town or the area should be given full local government at that stage was quite strong

within the committee. However, the form of local government under which the town has been operating since 1981 (this partial form of local government) was the final recommendation of the select committee, and it was then pursued and approved by Parliament.

At that time it was felt that the sooner the town accepted full local government the better, because it is not really in the interests of the State to have local government fragmented in different ways, if it can be avoided. A sunset clause was put in the Bill at that time (in 1981); it is now section 12 of the principal Act, as follows:

This Act shall expire on the 31st day of December 1986.

The Hon. C.J. Sumner: That's this year.

The Hon. C.M. HILL: That is this year. What the Minister is doing in the Bill before us is bringing in the main thrust of the measure, as was explained very well by the Hon. Mr Dunn in regard to the water supply. However, at the end of the Bill there is a clause amending '1986' to read '1987'. I ask why this is necessary. The answer to that question, in my view, is that the Labor Government, which has been in power since 1982, has been inefficient in that it has not already looked at the question of the sunset clause. The Government now believes that it is too late to do anything quickly and therefore it has come forward seeking another 12 months in which the question can be looked at.

The Hon. C.J. Sumner: It's a new Minister.

The Hon. C.M. HILL: Does that imply criticism of the former Minister?

The Hon. C.J. Sumner: New Minister, new broom.

The Hon. C.M. HILL: I am not concerned about the new Minister or the old Minister as far as sheeting home some blame. The fact of the matter is that the Labor Government knew that the sunset clause was there, yet it has done nothing about it. It has now been caught short, so to speak, and it comes before Parliament seeking another 12 months in which to do something about it. It has done nothing about this since 1982. The Government could have set up a select committee in 1982, 1983, 1984, or last year in 1985. However, life has been comfortable for the Government and it has done nothing. Now, suddenly, the present Minister says, 'Look here, if we do not watch out we will not be able to have any alternative by December 1986; therefore, we will have to ask Parliament for another 12 months.' To me, that is nothing short of inefficiency. There is no other answer, in my view. Even now, the current Minister, who has been in office since about mid 1985 or thereabouts, has not done anything about it, either. She had time to set up a select committee in the last Parliament to look into this matter.

The Hon. C.J. Sumner: There was an election last year.

The Hon. C.M. HILL: There was an election in December, but what about the months before that? Apart from the Minister's neglect last year in doing nothing about this matter in a previous Parliament, she has done nothing about it now and she is seeking almost another two years in which to do something about it. She could have given notice in this Parliament, in the past two weeks, of a select committee being established. As we all know, the Government is getting up for a record period of inactivity.

The Hon. C.J. Sumner interjecting:

The Hon. C.M. HILL: I know that the Attorney is trying to put me off to get the Minister of Local Government off the hook and to excuse the Government. We could have notice now of a select committee. We could have recommendations so that new legislation introducing full local government for this area could be in this Parliament when the next session opens. There would be time to implement it in accordance with the five year span that was written into the Bill in 1981. What kind of precedent is this? It makes a mockery of sunset clauses. It simply means that the Government of the day can go on extending any sunset clause, yet the architects of the scheme—

The Hon. C.J. Sumner: Oppose it.

The Hon. C.M. HILL: I am not going to oppose it. I want a full explanation of the Government's ineptitude in not doing anything about this since 1982. Unless there is some explanation of it which indicates that the Government could not have done anything about it so far, it is ineptitude. It is inefficiency at Government level and, most certainly, if Parliament agrees to this 1987 extension in this Bill, I hope that we are not going to have any further requests as time passes for even more extensions.

I believe that Parliament has a duty to give local government to Coober Pedy within the scope of the present legislation. That is what we told the people in 1981; that is what, in my view, the people have been expecting since 1981. Now they are going to have another 12 months tacked on to their temporary form of local government control, simply because this Government has not got off its backside since 1982 and made some move through the Minister of Local Government—

The Hon. C.J. Sumner: You are being offensive to the Minister.

The Hon. Barbara Wiese: Most offensive!

The Hon. C.M. HILL: It certainly is offensive to the Minister because it is ineptitude. Does the Hon. Mr Sumner think that he and his Ministers can just sit there and escape criticism when they have not done the right thing? He wants to be treated gently: that is what it amounts to.

The Hon. Barbara Wiese: There is plenty of time before the end of the year.

The Hon. C.M. HILL: If there is plenty of time before the end of the year, why does the Minister have the clause in the Bill before us? I will vote against it. If the Minister is of the opinion that it is all going to be cleared up this year, why is she asking for another 12 months? It is a clear indication that she has overlooked doing anything about it until this time. We have the ridiculous situation of being told that we are going to sit for four weeks, and new Bills have been coming into this House and the other House like sausages coming out of a machine. We have got enough work before us—

The Hon. C.J. Sumner interjecting:

The PRESIDENT: Order! A debate must be relevant to the question before the House. The number of Bills introduced to the House is not really relevant to the Coober Pedy (Local Government Extension) Act Amendment Bill.

The Hon. C.M. HILL: I am arguing that a reason why the Minister is seeking a 12 month extension of the sunset clause is that she fears, because of the new approach of this Government—packing legislation into very short periods—that legislation in regard to local government in Coober Pedy simply will not be introduced because we are not sitting for long enough.

The Hon. Mr Sumner knows that the amount of legislation that is being brought into this Parliament for this four week session is absolutely ridiculous. How can Parliament—and this Council in particular, where a lot of review and, when necessary, delay should occur so that the views of the electorate at large can be canvassed—carry out its duty properly when we have to put through Bills with only a day or two of deliberation in each instance?

It is quite a ridiculous situation, and the answer to it is not to seek extensions of sunset clauses but, as I said, to have a Government that is so efficient that it looks forward to all the legislation that has sunset clauses involved and plans ahead, so that the Government can change that legislation before the expiration of those sunset clauses. That

is what good Governments ought to do, but there is no evidence that that is going to occur in regard to the Act that this Bill amends.

Rather than that, the Minister said, in effect, 'We have not done anything about it. We are terribly sorry: we may not be able to make it in time, so please give us another 12 months.' What are the people of Coober Pedy thinking about that? Have the people in Coober Pedy been consulted? Have the people in Coober Pedy said, 'You can keep us second class citizens'? Local government in Coober Pedy really is in a second class situation. The people look at areas to the south—Whyalla, Port Augusta and other councils in that region—and they see full local government. They see all the advantages of local government. They believe that the sooner they get local government—

The Hon. C.J. Sumner: When were you last in Coober Pedy?

The Hon. C.M. HILL: What bearing has that got on the question?

The Hon. C.J. Sumner: When were you last in Coober Pedy getting the views of your constituents?

The Hon. C.M. HILL: What bearing has that? Members on this side have been to Coober Pedy. Mr Dunn lives in that area and carries out his work very well.

The Hon. C.J. Sumner: When were you last there?

The Hon. C.M. HILL: When were you last there?

The PRESIDENT: Order!

The Hon. C.M. HILL: I do not have to go to Coober Pedy to learn the views. I listen to the views of members on this side of the Council who travel there a bit more than the Hon. Mr Sumner does. He ought to be bending over backwards trying to give this town full local government. That is what his Government ought to be doing, but since 1982 the Labor Government has not done that. As I have said, they have been sitting on their backsides, and now they see they are going to get caught for time. The Labor Government's practice of amending sunset clauses in legislation is lazy government.

I do not want to hold up the Council unduly, but I ask the Minister of Local Government in replying to this debate to give her full explanation as to why she is seeking a further 12 months in this measure; why she, her department and her Government have not had their systems and their programs at an efficient level so that we have this select committee already either elected or sitting. Can the Minister give an assurance that, even though she is seeking a further 12 month extension of the sunset clause, she will from this moment make every endeavour to meet the deadline envisaged by Parliament in 1981 and accepted then by the people of Coober Pedy so that, as envisaged then, local government can come into Coober Pedy within the five year span?

The Hon. G.L. BRUCE secured the adjournment of the debate.

JUSTICES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 12 February. Page 61.)

The Hon. K.T. GRIFFIN: The Opposition supports the Bill, which is really consequential upon a later Bill, the Summary Offences Act Amendment Bill (No. 3). The Justices Act Amendment Bill seeks to allow an extension of time within which summonses may be served by post. The proposed extension is from three months after the day on which the alleged offence was committed to four months. Essentially, it relates to traffic offences and to a proposal to increase the time within which traffic infringement notices may be expiated.

The proposition is based on recommendations from the police where difficulties have been experienced with the present time limit for the expiation of traffic infringement notices. The Attorney-General indicated that the current practice is not to institute any follow-up inquiries until after the expiration of 35 days from the issue of the notice, which is the present 28 days provided in the statute, together with a seven days grace period for delays in postage and administration. After the 35-day period, unexpiated notices are subject to an adjudication process to determine whether or not a summons should be issued.

The extension of the three-month period within which a summons may be served by post to four months is something which will provide adequate flexibility to cope with the extended period within which an expiation fee may be paid. Is the Attorney-General able to indicate the time frame within which summonses would be issued for non-payment of an expiation fee and where service by post is proposed, recognising that if service by post is not achieved, it is still possible to serve summonses by personal service? The proposition appears to be reasonable. I see no difficulty in extending the time for the purpose of facilitating offenders paying expiation notices and, accordingly, I support the second reading.

The Hon. C.J. SUMNER (Attorney-General): I thank the honourable member for his support. The extension of four months within which to issue a process for the recovery of a non-expiated fine will place the police in exactly the same position as they are at the present time in terms of time limits, except that the time within which an offence may be expiated by the payment of a fine has been increased and, at the same time, the period within which proceedings may be taken for a non-expiated fine has been increased by almost the same period. As far as the police are concerned, the practice will remain the same.

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

SUMMARY OFFENCES ACT AMENDMENT BILL (No. 3)

Adjourned debate on second reading.

(Continued from 18 February. Page 187.)

The Hon. K.T. GRIFFIN: The Opposition supports this Bill, which seeks to amend sections 64 and 76 of the principal Act. Section 64 is amended in several respects. It extends from 28 days to 60 days the time within which a traffic infringement notice may be paid. I can see no difficulty in giving traffic offenders more time to pay and in facilitating the administration of that scheme which is designed to keep offenders out of the courts and to reduce administrative costs.

There are also amendments to section 64 which are of a more technical nature. Under the Motor Vehicles Act there is no requirement that a driver's licence be carried by a driver and, when drivers are detected committing an offence, at that time certain licensing offences may go unnoticed. Those offences only become apparent when checks are made by the police subsequent to the issue of a traffic infringement notice. The offences relating to licences may include driving without a licence, driving in breach of a condition of a learner's permit, driving in breach of a condition of a licence, and driving in breach of a condition of a probationary licence.

Section 64 presently requires the original traffic infringement notice to be withdrawn when those licence offences are detected. If any expiation fees have been paid, they are required to be refunded and then a prosecution is launched in court for all the offences. That creates some inconvenience to the offender. It also complicates the administration of the system and is generally regarded as cumbersome and inefficient. The proposed amendment allows the original traffic infringement notice to stand, and also for a prosecution to be instituted for the licence breaches. Again, I see no difficulty with that.

A further amendment to section 64 provides that, when a person has expiated an offence to which a traffic infringement notice relates, the person is immune from prosecution unless the Commissioner of Police has decided to withdraw the notice and to prosecute or the notice has not been expiated. The amendment to ensure that that is the position creates no difficulty.

The amendment of perhaps greatest importance is to section 76 of the principal Act. That is to be replaced in order to clarify the rights of an owner of a property in respect of the apprehension of a person committing an offence on or with respect to that property. The Attorney-General has indicated that a recent opinion of the Crown Solicitor concluded that the power of arrest in the present section 76 rests with the owner who himself or herself must have discovered the offence being committed on his or her property.

New section 76 will allow a servant or agent of the owner to be a person authorised to apprehend, and qualifies the definition of 'owner' to include an occupier and a person who is resident on or in land, a building or premises. It will also facilitate the protection of State Government property, particularly in relation to the State Transport Authority and offences that occur on State Transport Authority property, particularly buses. It will also apply to other statutory bodies.

However, it is important to recognise that the amendment to section 76 applies across the board and not just to Government property. I think that it will clarify the law and will certainly assist the owners and occupiers of property where persons are detected committing an offence on or with respect to that property. That amendment can also be supported. In summary, all of the provisions of the Bill seem to be appropriate, and I therefore support the second reading.

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

DAYLIGHT SAVING ACT AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 479.)

The Hon. PETER DUNN: I oppose this Bill for obvious reasons. I agree that this Bill is suitable for certain parts of the State, but other parts of the State have not been considered too well. The Bill changes an Act of the Parliament into a regulation whereby at the whim of the Minister of the day we could have daylight saving all the year. If that is the case I will have to introduce a sunset clause; sunset clauses seem to be the thing today. The Government has, fundamentally, bowed to the will of the eastern States.

New South Wales and Victoria have decided to extend their daylight saving period. South Australia, rather like our footballers in the past few years, has followed behind. We tend to be doing that again at this moment. This is a pity.

This Bill is nothing more than one of pleasure, because that is all that people do in the latter part of the day. I do not think that members can say otherwise. Although we change this legislation for practical reasons, to fall in line with the eastern States, there is still a half hour time difference. The meridian for 12 o'clock high does not run through South Australia. I picked up one of my maps the other day and drew in the meridian for South Australia. It runs through longitude 142 degrees 30 minutes in the winter central standard time and 157 degrees 30 minutes in the summer time. If one extrapolates those readings to a map one finds a line running through Warracknabeal in Victoria for central standard time and approximately 80 miles east of Lord Howe Island for central summer time.

I can explain this more simply by saying that if I stood up a crowbar vertically at midday I would expect it not to throw a shadow, and one would say that it was high noon because the sun was overhead. However, if one does that in South Australia in central summer time with a 6 ft crowbar one has a 2ft shadow, so if one is facing north the sun appears quite a long distance to one's right. The effect of that is to cause early waking in the morning, the further west one goes. Member may laugh, but I live 10 minutes (which does not sound much) behind Adelaide in actual daylight time.

I will demonstrate by pointing out that first light appears in Mount Gambier when the sun is 12½ degrees below the horizon and last light fades when the sun is rotated 12½ degrees below the horizon. First light is when objects become visible. I have prepared some charts recently and in Mount Gambier first light appeared this morning at 6.20 a.m. and last light at 8.21 p.m. However, at Ceduna the sun that rose at 6.56 a.m., almost half an hour later, and in the evening the sun set at 8.51 p.m. What happens when one goes further west to Bookabie? First light appears in Bookabie at 7.2 a.m., so when children catch their school bus at 7.30 a.m. or 7.45 a.m. the sun has not appeared over the horizon. I believe that that is unfair on those people. They come home when the sun, by central standard time, is at 2 o'clock in the afternoon in Adelaide.

The Hon. C.J. Sumner: They can have a lot of fun then.

The Hon. PETER DUNN: The Minister has hit it on the head. It is a Bill of pleasure. People spend the rest of the afternoon in pleasurable activities. However, young children want to go to sleep.

However, it is not the children I am worried about; other people are concerned about the matter, too. I want to read into *Hansard* a letter that I received, not from a farmer or a bank manager but from a schoolteacher, who lives in Bookabie. I believe that he was a great supporter of daylight saving when he lived in Adelaide, but has now changed his mind. I seek the indulgence of the Council to read this letter into *Hansard*, as I think it explains my argument to a T. The letter, from the Coorabie and Districts Progress Association Inc, addressed to Mr Graham Gunn M.P. (a copy of the letter was sent to me) states:

Dear Sir,

In regards to the recent announcement that the Government intends to extend daylight saving for a further two week period, our organisations (Bookabie and Districts Progress Association and Bookabie Rural School) would like to raise the strongest possible protest. In fact, so incensed are the residents of this community, should the motion to extend the daylight saving period be carried in Parliament, they will refuse to comply and encourage all people who disagree with the proposal to adjust their clocks to Central Standard Time (CST) on 2 March 1986.

That is the time when normally daylight saving would have ceased. The letter continues:

It is high time that the people who are most disadvantaged by daylight saving were given some say as to when it should end. We have been forced against our will to accept daylight saving for many years now and believe that any further extension is totally unacceptable. In fact, if there is any alteration, it should be to shorten the period not extend it. In the past the wishes of

the western area of the State have been completely disregarded in this matter, and we intend to raise the strongest possible protest, even to an act of civil disobedience if necessary.

The setting of Central Standard Time is incorrect for almost all of South Australia, as our time in relation to the sun is set in western Victoria.

I explained that earlier. The letter continues:

Central Standard Time should be one hour behind the eastern States to cater for the majority of the State. In the western border region we would then have the equivalent of about half an hour daylight saving all the time. Even if one accepts the present CST as being normal (which it isn't) those of us on the western side have half to three quarters hour of so called daylight saving at all times. When you add another hour to that, during November, December, January and February it becomes most frustrating. To take the daylight saving period any further becomes even more ludicrous.

Farmers, particularly during harvest, are disadvantaged due to the fact that they have to start the day by the clock to get their children to school on time but cannot start harvesting till midday (whenever that is) on account of the coolness and moisture problems associated with harvesting cereals. The dry part of the day continues until late (by the clock) and the farmer does not get into the house until 9.30 to 10 p.m. This causes lack of normal rest for all the family, as although the clock indicates that it is late the sun is still shining and children are somewhat reluctant to go to bed in broad daylight.

The Hon. C.J. Sumner: How many days of the year does one harvest in summer?

The Hon. PETER DUNN: I suppose that amounts to asking 'How long is a piece of string?' It depends on how big one's farm is. It would be something of the order of 30 days, plus or minus 20 days. The letter continues:

By extending the period of daylight saving into March it means that many children who travel by school bus will need to rise while it is still dark. This will not be helpful to them and it will also increase the electricity bill for their family.

I might add that that is the opposite effect to what the Bill set out to do, namely, to save electricity. In that regard, I have not seen any figures demonstrating that daylight saving does save that much money. The letter continues:

For those who think they are saving daylight on the eastern side of the State, spare a thought for those of us on the western side, as we are losing it over here.

For those without children who may try to ignore the clock, it also makes life difficult. Machinery dealers and banks and many other shops shut down in mid-afternoon (5 p.m.) Wheat silos only stay open until midway through the harvesting period each day causing unnecessary storage of grain until the next day. Extra storage bins are required, adding further costs . . . However, many unions object to their workers working hours other than 9 to 5 and penalty rates apply outside these hours, which adds to the crippling costs that the farming community has already been called on to endure.

In relation to the Country Fires Act, which states that no fire shall be lit before mid-day and must be extinguished by 9 p.m. on the same day, the CFS does not recognise these times during the daylight saving period and therefore it causes much confusion in this regard.

Many small manual telephone exchanges close at 6 to 8 p.m. and farmers find it impossible to make necessary phone calls after work. With regard to arranging meetings in country areas, where some people by necessity have to work by the sun and others work from 9 to 5, it makes it almost impossible to arrange suitable times for such meetings or social activities. This causes much ill-feeling that would not otherwise happen. For instance, a farmer could not attend a meeting until 10 p.m., whereas a school teacher or the like would want it at 7.30 or 8 p.m.

For anyone who is able to view television in this western area the timing of the programs leaves much to be desired during the daylight saving period, as one finds that the programs that are of importance to country viewers, particularly news and weather, are all well and truly over before the farmer gets into the house, and on many occasions one would find that transmission has ended for the day by the time he arrives home.

Bookabie Rural School has been forced to alter its starting time by half an hour, but this has generated further problems. The school is now not operating on the same time basis as other schools, and normal interaction is thus affected. In addition, the later finishing time precludes the permanent teaching staff from travelling to Ceduna for banking and business matters.

Much inconvenience is caused to the travelling public, in particular those coming from the west to South Australia as, on crossing the border, the time jumps ahead 2½ hours due to Western Australia not having daylight saving. Many problems are thus encountered in regards to meal times, closing times etc. Western Australia seems to manage quite well without daylight saving.

We would suggest that, instead of changing the clocks at all, people who want or need the extra leisure time should be allowed to start one hour earlier to achieve the same result as they are now achieving with daylight saving. We request you then as our member to fight this matter forcefully . . .

Yours faithfully,

(signed) P.A. Barritt, Head Teacher, Bookabie Rural School.

So, not only the farmers but also other people have genuine concerns about this matter. People are not making stupid statements such as that the curtains would fade or that the cows would not milk and so on, as was the case in the past, but are pointing up some real factors in connection with this matter. I cite just one further example of a family whom I spoke to: they had just driven from Western Australia and thought they would have lunch at Nundroo, but on arriving there found that the cafe did not serve meals between 3 and 5 o'clock. They thought it was half past 12. Subsequently, they had to travel to the next town, although in the West the towns are quite a distance apart. The nearest town to Ceduna, for example, is 160 miles away, involving three hours of travelling.

So, there are very real problems with this Bill. As I mentioned before, the change from an Act to a regulation impacts on this even more, as it can be changed at will. I am aware that surveys that were undertaken indicated that a great number of people agreed with daylight saving. However, the question posed in the survey was, 'Do you agree with daylight saving?', and I think nearly everyone would of course reply, 'Yes, if we can use it and work it in with our normal business transactions.' However, people in a number of areas of the State indicated that they did not agree with it, most of them living in areas either in line with Adelaide or west of that area.

An argument was put forward by a member in the Lower House that school sporting competitions can be played on weeknights, thereby relieving teachers of weekend duties and freeing students for family outings. I find that a rather questionable statement indeed. I thought that many school activities were conducted during normal school hours. This demonstrates, I believe, that the Bill has become a Bill of pleasure, whereby schoolteachers want to go off. The argument that the member in the other place put forward was that as there were many beaches in his electorate as many people as possible should have the opportunity to go to the beach in the evening. I do not disagree with that, although such sentiments demonstrate that this is not much more than a Bill of pleasure with very little relation to the real world in which we live.

I also notice that an amendment has been placed on file by the Hon. Mike Elliott. The amendment asks that areas be allowed to determine their own time zone. I find that acceptable in fact, but in practice it would be impossible to achieve. How would the people be polled to determine their views?

The Hon. C.J. Sumner interjecting:

The Hon. PETER DUNN: That will be the effect of it. I believe that that would be very difficult to administer. I am aware that schools will be allowed to change their times; and I am aware that silos are allowed to extend their times. However, as has been pointed out by other members, this only disrupts business; for instance, if Ceduna or Port Lincoln were allowed to change their times, it would be very difficult (and this argument has been put forward in this place many times) to align their times with those of the eastern States because of the half hour difference. It becomes a problem, so I do not think that the amendment is acceptable. I do not see as acceptable the paying of penalty rates

because it will be outside of normal trading hours. I do not think any of those things are acceptable with the effect of this amendment. With those few words, I oppose the Bill.

The Hon. L.H. DAVIS: I support the Bill. The practical effect of this Bill to amend the Daylight Saving Act is to extend daylight saving in South Australia for two weeks through to Sunday 16 March. Good reason has been given for this extension. It is indicated in the second reading explanation that there has been an extension of daylight saving in both New South Wales and Victoria. Special factors have been involved in both New South Wales and Victoria agreeing to extend daylight saving for an additional two weeks. It would seem common commercial sense, if for no other reason, for South Australia to fall into line with what has been agreed in those eastern States. Quite clearly, if we did not adjust our time, there would be difficulties with already printed airline schedules, and there would be certain difficulties arising perhaps in commerce and industry.

Perhaps more importantly, there are sound practical reasons that the Opposition accepts for this adjustment to daylight saving. First, Her Majesty Queen Elizabeth and His Royal Highness Prince Philip are visiting Victoria for the Moomba festival, which has given Victoria reason to adjust daylight saving; and, more importantly from South Australia's point of view, they are coming to Adelaide for Jubilee 150 celebrations and for part of the Festival of Arts. The extended one hour period gives the people of Adelaide, with the Jubilee 150 celebrations and the Festival of Arts in full swing in the first three weeks of March, an opportunity to enjoy an additional hour of daylight. However, the point that the Hon. Mr Dunn has made is valid as far as the people of Eyre Peninsula are concerned.

We often have difficulties reconciling the interests of particular groups, such as those on Eyre Peninsula, with those of the majority of people, who are resident in Adelaide and to the south. Down through the years people have sought to insert an additional time zone into Australia. That has been looked at and found to be wanting. It would be nice to think that that was a practical compromise, but I think even the Hon. Peter Dunn, practical though he is, would not see the way clear to make an adjustment to take into account some of the very valid arguments that he has raised.

Finally, of course, we should take note of what the people of South Australia indicated in the 1982 referendum, which was held in conjunction with the State election of 1982 at the instigation of the Tonkin Liberal Government. As I recall, over-three quarters of the voting population of South Australia supported the principle of daylight saving. I believe that, if this proposition was put to them in a referendum, a similar result would ensue. I support the measure to amend the Daylight Saving Act to give the people of Adelaide an extra two weeks of daylight saving.

The Hon. M.J. ELLIOTT: The Democrats will be supporting the Bill, but the Hon. Mr Dunn very eloquently put across some of the problems that a small number of South Australians face. We must recognise that we in this Council do not simply represent parties: we represent every constitutent of this State, including the people of the far west of South Australia. We will always find minority opinions in this State that we cannot always accommodate. However, on this occasion, although the anti-daylight saving feeling may be a minority in this State, we may find a majority of people in a small area who feel that daylight saving does cause problems. Certainly, the Hon. Mr Dunn's geography was very accurate.

The people of the west coast would be suffering daylight saving now in excess of two hours of natural time. It does not really matter what time we operate by—time is an artificial contrivance of man, anyway. Nevertheless, being an artificial contrivance we in Adelaide and in the near vicinity are quite happy with daylight saving. I imagine that every member in this Council would support it. However, for the people living in the far west it causes severe problems. The lobbying that I have received on daylight saving has come from only one area—the far west of South Australia. The problems in relation to school children and in relation to farmers are very real. They work by the sun. If they wish to be involved in any commercial transactions it is very difficult. In fact, most of the commercial businesses are closed mid-afternoon as the sun operates.

I do not pretend that I know the views of the majority of the people of the far west. I only know the extent of the lobbying that I have received. I do at least sympathise with what appears to be a very significant number of people who have expressed a view on the problem. The Hon. Mr Dunn suggested that we would have some difficulty in finding out what the people wanted. I believe that we have two options: the Government could be guided by local government—the third tier of government in Australia; or alternatively, we could operate a referendum, which would cause no severe cost to the State, in association with local government elections. It would be possible to try out the amendment by precluding the far west of the State from the proposed two-week extension of daylight saving. That would give us an excellent chance to find out whether the problems in having two zones are greater than the problems and inconvenience people already suffer at this time. My amendment allows the Government to act in the interests of a small sector of the community who have a right to be taken into account and it will not cause inconvenience to the rest of the State.

The Hon. C.J. SUMNER (Attorney-General): I thank honourable members for their contributions and those members who have seen fit to support the legislation. The only comment that I make is in respect to the amendment proposed by the Hon. Mr Elliott. As the Hon. Mr Dunn said, it does not enable a section of the South Australian community to vote not to have daylight saving so that, automatically, daylight saving would not apply in a particular zone. Instead, it enables the Government by regulation to change the hours of daylight saving for a section of the State, if it so wished. The Minister who introduced this Bill in another place, the Deputy Premier (Hon. D.J. Hopgood), does not have any present intention of creating zones within South Australia for the purpose of daylight saving. However, he has indicated to me that he does not have any objection to the amendment, on the basis that it gives the Government the capacity to do so should it feel that it is desirable at some time in the future.

It has been pointed out, for instance, that Broken Hill does not have the same time as Sydney and that Broken Hill is in the same time zone as Adelaide. The amendment of the Hon. Mr Elliott would give some capacity for the Government by regulation to say that part of the State west of a certain longitude could have a different time zone from the rest of the State. If that were to happen, there may be a whole lot of undesirable consequences that would need to be examined. The Minister (Hon. Dr Hopgood) does not oppose the amendment, without in any way giving a commitment to implementing different time zones within South Australia at this time.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Repeal of sections 3 and 4 and substitution of new sections.'

The Hon. PETER DUNN: Does the Government anticipate extending the other end of the time zone to central standard time? That is the early part of it, when we go from central standard time to central summer time: is the Government intending to extend that at any stage to make it earlier?

The Hon. C.J. SUMNER: No decision has been made on that. I do not believe that the Government has any intention of doing that at this stage. To some extent in this area, as has been pointed out in the debate, we are constrained by the views of our colleagues in the eastern States—or, at least, in New South Wales and Victoria. There are very compelling reasons for South Australia not to be too far out of kilter with the eastern States—the major population centres of Sydney and Melbourne. The honourable member will only have to spend a short amount of time talking to people in the business and commercial sectors in South Australia to find that there is a strong view that South Australia, indeed, should adopt eastern standard time.

That is a very strong view put by many people in Adelaide, who find even the half hour difference between South Australia and the major population centres in the eastern States a disadvantage from the point of view of commercial transactions. I make the point that we do not have to slavishly follow the eastern States, and these things are generally done by way of consultation as, indeed, was this extension for two weeks.

It was considered to be a reasonable proposition by the Premier of Victoria and, because of our Festival of Arts and the royal visit, it was also considered desirable here, and New South Wales also acceded to that suggestion of the Premier of Victoria.

At this stage, I do not know of any plans to bring in daylight saving earlier than the end of October, which has been the date that has been used ever since daylight saving was introduced in this State. If it were to be changed, then it would be done in consultation with the eastern States (Victoria and New South Wales), and I have no information that that is being suggested at this time.

The Hon. PETER DUNN: If that is the case, and we are changing for this year, is it the intention of the Government to continue to extend central summer time in years to come, or is this a one off? Perhaps my suggestion of a sunset clause could be made at this stage.

The Hon. C.J. SUMNER: I think the answer is the same as the previous answer: that there is not a view on that at this stage. It may be appropriate to extend it next year, but if it is to be done it would be after discussions with the eastern States on the topic. As I say, the really compelling reason as far as South Australia is concerned is to ensure that we are compatible with the eastern States—or as near as we possibly can be—and what will happen next year will depend on any discussion. I do not know of any existing intention of the Government to do that, but we may be faced with the situation where the eastern States decide to move and, if they do, we really do not think we have much alternative.

The Hon. M.J. ELLIOTT: I move:

Page 1—

Line 29—After '1898,' insert 'but subject to section 4a,'.

Line 34—Leave out 'In' and insert 'Subject to section 4a, in'.

Page 2, after line 12—Insert—

4a. (1) The Governor may, by regulation, exclude from the application of this Act any specified part of the State with effect for the whole of the prescribed period or any specified part of the prescribed period.

(2) While this Act does not apply to a particular part of the State by virtue of an exclusion under subsection (1), the Standard Time Act 1898 applies in relation to that part of the State.

I do not really think I need to speak much more to this, other than to make the point that it would be a good thing if the communities themselves could decide what happens in regard to daylight saving, rather than having it inflicted from above, so to speak. What happens over there really will not affect the rest of the State, but I do not think we should just neglect their legitimate concerns.

The Hon. C.J. SUMNER: In my second reading reply I indicated that the Minister responsible for the Bill, Dr Hopgood, was prepared to accept these amendments on the conditions that I outlined then, and I will not repeat the arguments.

Amendments carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

POTATO MARKETING ACT AMENDMENT BILL

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

The Hon. BARBARA WIESE (Minister of Tourism): I move:

That this Bill be now read a second time.

Due to the lateness of the hour, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

In May 1985 the Parliament amended the Potato Marketing Act with the effect that the South Australian Potato Board would be disbanded from 1 July 1987. This amendment was made because the Government was not convinced of the continuing need for intervention by a statutory authority in the marketing of potatoes. In making that amendment to the Potato Marketing Act, the Government made it clear that if there was evidence that the highly regulated potato marketing system was not working, an earlier move would be made to disband the board.

Events which have occurred in the market place over the past few months make it clear that the current system is not working. There has been dissatisfaction expressed by people at all stages of the potato marketing chain with the methods of operation of the board. The action of the board in issuing potato Marketing Order No. 17 which tightened controls over the potato washers/packers was contrary to the requirements of the Government for the board to move, over the period to 1 July 1987, towards a less regulated marketing environment. As a result, the Government has decided that the South Australian Potato Board will be disbanded on 14 March 1986. After that date, a free marketing situation will operate for potatoes in South Australia just as is the case for other vegetable crops in this State.

The Potato Board is a party to long-term contracts for the supply of potatoes to processors. The board acts as a broker in these contracts in that it receives payment from the processor (or merchant) and pays the grower. It also has other potential roles as a mediator in disputes and in substituting pool potatoes for unsatisfactory potatoes offered by a contract grower. The Government sees no need for the role played by the board in these contracts to continue after the board is disbanded and the potato industry operates under a free market system. Hence, upon disbandment of the board, the Government will cancel all obligations (other than obligations arising from borrowing by the board) that would otherwise have been imposed on it in relation to contracts.

Two important issues associated with the disbandment of the board are the fate of board assets and the future for board employees. All permanent employees of the South Australian Potato Board have been offered the option of either redeployment in the Public Sector, or a negotiated retrenchment package. Hence, board staff will not be disadvantaged by the disbandment of the board. The realised assets of the board will meet the costs of redeployment or retrenchment of board staff and any future liabilities arising out of any action or commitment of the board. The Government has decided that, after meeting these commitments, the net realised assets of the board will be used to establish an industry fund for purposes such as research and promotion of matters affecting the potato industry in South Australia. The details of the fund and its operation will be announced after the Government has held further discussions with all sectors of the potato industry on this issue.

The provisions of the Bill are as follows:

Clause 1 is formal.

Clause 2 amends the principal Act by repealing present section 26 (which provides for the expiry of the principal Act) and substitutes new section 26. The new section provides that, on 14 March 1986:

- the principal Act expires (other than the new section);
- any contract imposing continuing or recurrent obligations (not being pecuniary obligations arising from borrowings) is terminated from that date;
- the assets of the board vest in the Crown.

The Minister must, as soon as is practicable, convert into money any of the assets of the board that do not already consist of money, and shall apply the assets as follows:

- first, in making such provision as the Minister thinks fit towards the costs of redeployment or retrenchment of the officers and employees of the board;
- secondly, in satisfying the board's liabilities;
- thirdly, any remaining surplus to be paid into a fund established by the Minister for the development of the potato industry.

A liability is not to be recognised unless the Minister receives written notice of it on or before 19 March 1987. If the assets are insufficient to satisfy the liabilities, there is to be a ratable distribution among the creditors. A liability of the board is not enforceable against the Crown apart from this section and if a liability is not fully satisfied no residual liability attaches to the Crown. When the distribution of assets is completed, this section expires.

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

CATTLE COMPENSATION ACT AMENDMENT BILL

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

The Hon. BARBARA WIESE (Minister of Tourism): I move:

That this Bill be now read a second time.

Due to the lateness of the hour, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

The current purpose of the Act is to provide compensation for cattle compulsorily slaughtered because of certain diseases, or when they are found diseased in the abattoir. Finance for the fund under the Act from which compensation is paid comes from an industry stamp duty on the sale of cattle. The purpose of this Bill is to widen the use to which funds collected into the fund may be applied for the benefit of the cattle industy and to provide for a committee to advise the Minister on the management of the fund and the use to which moneys are put. Similar amendments have already been made to another Act, the Swine Compensation Act. Funds made available other than for compensation as a result of those amendments have proved to be of great benefit to the pig industry.

Widening of the use of funds and the formation of an advisory committee has been widely canvassed with the cattle industry and has included consideration by an industry/government working party especially formed to consider amendments to the Act. The changes proposed have strong industry support.

The provisions of the Bill are as follows:

Clause 1 is formal.

Clause 2 amends the interpretation provision of the principal Act to insert a new definition—that of the Cattle Compensation Fund Advisory Committee.

Clause 3 provides for the insertion of new sections 11a, 11b and 11c into the principal Act.

New section 11a provides that where, in the Minister's opinion, the amount standing to the credit of the fund on the thirtieth day of June in any year is sufficient to meet any claims likely to be made upon the fund in the ensuing 12 months, he may direct that the amount of the excess be allocated to such programs for the benefit of the cattle industry in the State as he thinks fit.

New section 11b establishes the Cattle Compensation Fund Advisory Committee. The committee is to be comprised of six persons: the chief inspector, three persons who represent the interests of the cattle industry, and two persons holding positions in the Department of Agriculture.

New section 11c sets out the functions of the committee. They are to advise the Minister on the management of the fund, to recommend to him the manner in which allocations are to be made under new section 11a and to report to him on matters referred for advice.

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

ADJOURNMENT

At 10.50 p.m. the Council adjourned until Wednesday 26 February at 2.15 p.m.