LEGISLATIVE COUNCIL

Thursday 21 August 1986

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

The Clerk (Mr C.H. Mertin) read prayers.

PETITIONS: PETROL PRICING

Petitions signed by 348 residents of South Australia praying that the Council urge the Government to make all possible efforts to remove the iniquitous position in relation to petrol pricing and asking it to strongly consider intervention to achieve realistic wholesale prices as a means of achieving equity for the country petrol consumer were presented by the Hons Peter Dunn and M.J. Elliott.

Petitions received.

PETITION: PROSTITUTION

A petition signed by 254 residents of South Australia praying that the Council uphold the present laws against the exploitation of women by prostitution, and not decriminalise the trade in any way, was presented by the Hon. Mr Lucas.

Petition received.

PAPER TABLED

The following paper was laid on the table:

By the Attorney-General (Hon. C.J. Sumner)—

Background paper on the law relating to prostitution.

MINISTERIAL STATEMENT: DEPO-PROVERA

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

Leave granted.

The Hon. J.R. CORNWALL: The Depo-Provera Review Group was set up in December 1984 after allegations in the *Advertiser* newspaper about the use of the contraceptive drug Depo-Provera on Aboriginal girls at Oodnadatta. In the article, Sister Jeanette Kelly, a community health nurse employed by the Aboriginal Health Organisation, alleged that schoolgirls at Oodnadatta had been taken from their classrooms and unwillingly given injections of the three-month contraceptive drug Depo-Provera.

Sister Kelly said she had evidence which suggested that seven Aboriginal teenage girls in Oodnadatta had been forced to have injections of the drug between 1978 and 1981. Depo-Provera is a schedule four drug which can only be prescribed by a medical practitioner. Following the *Advertiser* article, the review group was established to examine and report on the circumstances relating to the alleged use of the drug on Aboriginal women in Port Augusta and Oodnadatta.

Upon the receipt of the report, I decided against making it a public document because I considered it would be unfair to people named in the report. As I have told the Council on a number of occasions over the past three weeks, the report neither blames nor exonerates anyone. However, the tabling of the report has been requested. Following discussions in Cabinet and consultations with the Attorney-General, I am complying with that request today. On Crown Law advice, names in the original report have been deleted to protect the identity and confidentiality of people involved. I seek leave to table the document with name deletions.

Leave granted.

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

That the report be authorised to be published.

Motion carried.

The Hon. J.R. CORNWALL: With regard to the original report, I am making it available to the member who requested its release, Mr Cameron. It is, as you can see, in a sealed envelope marked 'confidential'. I would hope that in the interests of responsibility and fairness that he continue to treat it as a confidential document.

I would like to stress that the report was not a judicial inquiry. That is not what it was established to be. The purpose was to set out the facts of the matter. Any critical appraisal of the quality of the report should be made in that light. To quote the report of the review group:

> The most common apprehension expressed by the [Aboriginal] women interviewed was that they did not wish to appear in court as a result of the statements. They all wished their names to remain confidential.

I would also like to make the point that, because the alleged incidents under investigation occurred between five and eight years ago, it was difficult for the group to obtain a full and detailed picture of the events of the time. Some of the people allegedly involved had moved to other parts of Australia and were consequently impossible to contact.

In the report, the review group states it is satisfied that Depo-Provera was administered over the time alleged. The person who administered the drug to a number of females 'clearly denied that she had administered the drug without medical authority'. At no time did she dispute the fact that she had administered the drug. She said that contraception for Aboriginal women in Oodnadatta had not been very successful, and that the prevailing view of the Royal Flying Doctor Service medical officers who visited the town was that the best contraceptive methods for women in the town were intra-uterine devices and Depo-Provera.

Statements taken from a number of Aboriginal women who said they had been injected with the drug included allegations by some that they had not been informed about the effects of the drug and/or that the drug had been forcibly administered. All of these people wished their names to remain confidential. According to the report, the medical records of eight of the 13 women confirmed the fact they had been given the drug. The review group established that five of these medical records made specific reference to the fact that the drug was prescribed by a medical practitioner.

The person who administered the Depo-Provera was emphatic that she had not forced the girls to have injections, and that 'at all times she had received medical direction for the administration of the drug'. The review group did 'not believe beyond reasonable doubt that force was used' in administering the drug. However, it formed the view that more effort 'perhaps' could have been taken to ensure that the effects of the drug were well understood by all involved, and that the actions of the person who administered the Depo-Provera 'may have been attributable to over-zealousness rather than any wilfullness'.

The group also formed the view that the statements of the Aboriginal women and the statements of the person who administered the Depo-Provera were 'equally truthful and convincing'. The report says that a total of 18 Aboriginal women were listed in Aboriginal Health Organisation files as having received Depo-Provera between 1978 and 1981. Eleven of these women were interviewed by members of the review group. Of the remaining seven, one refused

to be interviewed by the review group and the rest were either out of town or unavailable. Of the 11 interviewed in 1985, 10 have either had children or were pregnant at the time of interview. The review group did not feel there was sufficient information or documentary evidence to support one view of the events any more than the other. The group was reluctant to recommend that any punitive action be taken because of this lack of hard evidence. What proof existed was considered 'scanty in nature and inconclusive'.

At Port Augusta, records from the Pika Wiya Health Service for the Aboriginal Medical Service indicated that five women had received Depo-Provera during the time AMS was operating. Three of these women were interviewed, and all claimed that they had not been informed of the side effects of the drug. Clear authorisation from a medical officer existed in two of these three cases. Since the establishment of the Pika Wiya Health Service in 1984, records indicate that three women have received Depo-Provera from the service. The review group found that the current arrangements for administering the drug by the Pika Wiya Health Service were sound 'especially in terms of requiring persons requesting Depo-Provera to be fully counselled'.

Finally, I want to make the point very strongly that since the establishment of direct services by the Aboriginal Health Organisation to Oodnadatta in 1981 a situation as alleged by Sister Kelly could not arise again. The recent partnership between the Government and both the Aboriginal and white communities in the management of the Oodnadatta Hospital and Health Service gives the further assurance that the administration of Depo-Provera without informed consent could never happen at Oodnadatta in the future.

PERSONAL EXPLANATION: UNSEALED DOCUMENT

The Hon. M.B. CAMERON (Leader of the Opposition): I seek leave to make a personal explanation.

Leave granted.

The Hon. M.B. CAMERON: The Minister of Health has handed me an unsealed document across the floor of the Council. I indicate that I am giving it back to him. I will look at the abridged report he has tabled. If I consider that I need to look at this document later, I certainly will take up his offer, but in the meantime he can have the document back.

QUESTIONS

CASINO

The Hon. K.T. GRIFFIN: I seek leave to made a brief statement before asking the Attorney-General a question about the casino.

Leave granted.

The Hon. K.T. GRIFFIN: Last week, I asked the Attorney-General whether he would obtain a copy of the New South Wales police report on which the New South Wales Government made its decision to cancel its contract with the Hooker-Harrah consortium to build the $610 million casino in that State. In his reply, the Attorney indicated that he would have his officers make inquiries in New South Wales, but not necessarily to obtain a copy of that police report. My question on that occasion sought to ascertain whether the involvement of a Mr John Allan, in Genting Australia, a consultant to the Adelaide Casino, was a matter of concern in view of the allegation that he was under investigation by the FBI and the United States gaming authorities.

I now understand that Mr Allan has resigned his position in Perth. No reasons have been given publicly for that resignation. In the context that his name has been raised publicly, it would suggest a need for the South Australian Government to inquire further into the matter, so far as it may impinge upon the operations of the Adelaide Casino, to put any questions of his involvement to rest once and for all. In the light of the report of Mr Allan's resignation, will the Attorney now obtain full details of the New South Wales police report to ensure that it does not in any way impinge upon the operations of the Adelaide Casino?

The Hon. C.J. SUMNER: The honourable member's request was referred to the Liquor Licensing Commissioner, who made certain inquiries and indicated to me that the situation was no different from that which I have outlined on previous occasions to the Council. The honourable member has indicated that Mr Allan has stood down, as I understand it, from his position with Genting International and that he has done that by mutual consent. Genting does not make any comment or judgment on the allegations raised in the newspaper articles and, to date, I understand that no charges have been laid against Mr Allan. Mr Allan is not employed by Genting (S.A.) Pty Ltd, which does not operate the South Australian casino; it advises the operator of the casino. So, under the legislation that was passed by the Parliament, there has been no cause to investigate Mr Allan.

As I understand it, Mr Allan's involvement with the Adelaide Casino has not been great. He has been involved in an advisory capacity and was not employed by Genting (S.A.). On the information that I have to date, there does not seem to be any cause for concern, and I have had the honourable member's question referred to the Liquor Licensing Commissioner. As I understand it, the situation is the same now as it was when I answered the question last week and, indeed, is the same as when the matter was examined on 3 July this year when I issued a statement indicating Mr Allan's position. I repeated that statement in the Council last week.

I have relied on the Liquor Licensing Commissioner, who has the responsibility to oversee employment in the casino under very strict conditions, as the honourable member would know, and I have referred his question to the Commissioner, who has made inquiries and has indicated to me that there is no further information about Mr Allan which would impinge on the Adelaide Casino. Mr Allan does not work for the casino and he does not work for Genting (S.A.).

If the honourable member has any information that he wishes to put to me that I can have inquiried into by the Liquor Licensing Commissioner, I am happy to do that. I assume that, in his contact with the New South Wales authorities, the Liquor Licensing Commissioner canvassed the report to which the honourable member has referred but, if that is not the case, I will certainly again refer the honourable member's question to the Liquor Licensing Commissioner to ensure that all possible inquiries have been carried out.

HOLIDAY PAY LOADING

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Minister of Tourism a question about pay loadings.

Leave granted.

The Hon. L.H. DAVIS: In the *Sunday Mail* of 17 August, the Minister of Tourism is quoted as saying:

Hundreds of jobs in South Australia's tourist industry will be destroyed by the abolition of the 17½ per cent holiday pay loading.

The Minister was commenting on a Confederation of Australian Industry decision to seek the removal of the 17½ per cent loading from Federal awards. The Minister is no doubt aware that not only employer groups but also prominent Labor Party leaders believe that the loading should be scrapped. The Western Australian Premier (Mr Burke) has said that he believes the economy could not afford what he describes as an illogical loading. Mr Clyde Cameron, the Minister for Industrial Relations in the Whitlam Government who actually introduced holiday pay loading in 1974, now regrets it. He says that he was tricked into it and is now embarrassed that it has become a universal benefit.

More importantly, the Minister will be aware that her comments have caused widespread concern within the tourism industry in South Australia. One leading identity in tourism in this State said that the Minister had become the laughing stock of the industry because of her views, which are directly opposite to the views of the industry she is supposed to support and promote. The Minister would be well aware that the local views of travel industry leaders are also reflected by the Australian Federation of Travel Agents officially stated view that a more flexible approach to wage rates should be adopted and that penalty rates should be abolished within the industry.

The Australian Travel Industry Association in evidence to the Kennedy inquiry said that the tourism industry should 'give the tourist a consumer service equal to that in any competitive overseas market' and that a much more flexible system of industrial relations was necessary if the industry was to provide a 24-hour, seven day week service to visitors. My questions to the Minister are as follows:

1. How can the Minister continue to hold her portfolio when she makes statements with respect to holiday pay loadings which are so clearly at variance with the views of the tourism industry in this State and Australia-wide and which have no rational economic basis?

2. In view of her support for the retention of holiday pay loading, is the Minister also in favour of the retention of penalty rates in the tourism industry?

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: The Hon. Mr Davis has indicated yet again his own views and the views of his Party about the future well-being of the working people of this country, number 1, and the tourism industry in this country, number 2. I do not think there is any doubt at all that the abolition of holiday leave loading would have a significant impact on the tourism industry in this country.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: Fewer than three-quarters of the wage earners in this country receive average weekly earnings. That means that they receive rather low incomes. If we abolished holiday leave loading in this country, there is no doubt that there would be an impact on tourism, because that would affect the disposable income of those families who rely on the extra money at holiday time to have, usually, a fairly low cost family holiday in this country. It is also true that South Australia depends very much on tourists of that kind as far as our visitation numbers are concerned. The vast number of people—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —who visit South Australia come from Victoria and New South Wales. If the honourable member is suggesting that we should be taking action that will destroy the disposable income of those families who visit this State most and who bring new dollars to this country, then he really does not seem to have very much knowledge, first, of what tourism in this State is about and, secondly, of the plight of various families in this nation.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: The sort of claptrap that we hear constantly from the carping members of the Liberal Party is also a strong indication of their lack of understanding of the issues in relation to penalty rates. It is very clear from the sort of information that is emerging from various universities and from people who are studying this question that there is a difference of opinion in Australia as to whether penalty rates are a significant problem, or whether they are a problem at all in regard to industry, particularly the service industries. The honourable member should make himself a little more aware of the issues before he makes these outrageous statements in Parliament.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. L.H. Davis: You are supposed to be representing the tourism industry.

The PRESIDENT: Order! Is the honourable member asking another question?

The Hon. L.H. Davis: I think there is little purpose in that.

The PRESIDENT: May I suggest that the honourable member does not continue to interject in that manner.

INFORMED CONSENT

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

Leave granted.

The Hon. R.J. RITSON: It has always been the common law that a person may not invade the body of another without their consent, even for therapeutic purposes. In particular, consent is no consent at all unless the nature and consequences of that which is consented to is understood by the person giving the consent. In the past it has been the practice of doctors and dentists to obtain a signature on a small piece of paper as evidence of the fact that the person has consented to a named procedure or operation.

However, increasingly lawyers have become concerned that that is not satisfactory evidence of informed consent. As a result, and in relation to the Consent to Medical and Dental Procedures Act 1985, about to be proclaimed, the Health Commission has produced a helpful booklet with guidelines and medico-legal instructions for practitioners so that they will be more understanding of the need to explain, in detail, proposed treatments in each and every case. Pro formas for different sets of circumstances have been provided by the Health Commission as being better evidence of informed consent in each case.

My concern is whether or not the School Dental Service will be required by the Health Commission to fulfil the same standards of explanation. I ask this question because, in the past, there have been a number of complaints where the blanket consent to every procedure forever, which is signed by the parent when the child goes to school, has resulted in many cases in very poor consultation between the School Dental Service and the parent. I have telephoned some dentists and I find evidence of a stream of complaints

by parents concerned and upset that procedures—including X-rays—have been carried out on their children without the parent's consent to that particular procedure. One instance of complaint I received was in relation to a tooth being extracted, that tooth in itself being apparently of no further use. However, unbeknown to the School Dental Service that tooth was part of a plan for orthodontic treatment which was privately arranged, and the parents did not have an opportunity to give that history.

One prominent citizen in this city is outraged that their child was not only subjected to the filling of teeth but to a general anaesthetic without the parents being informed. In view of the very advanced and useful information and instruction to medical and dental practitioners about what should be the modern notion of informed consent and the need to consult in every case, will the School Dental Service now be consulting with parents in every case of proposed treatment of a minor, and will the service be using the proposed consent form which appears on page 16 of the Health Commission document dealing with consent by a third party to operative, non-operative and anaesthetic procedures? If the Minister does not believe that the School Dental Service should be held to the same standards of consultation and consent obtaining, will he obtain legal advice as to the legal position of that service if it continues to rely on the old blanket consent form?

The Hon. J.R. CORNWALL: They are a very 'funny' Opposition, as in peculiar.

The Hon. R.J. Ritson: Take the matter seriously. It is not funny.

The Hon. J.R. CORNWALL: 'Take it seriously', the honourable member says. He talks about anonymous people, well-known citizens and so forth. How can anyone take the honourable member seriously when he drums up horror stories in this Council and abuses the profession to which he belongs? How can anyone really take him seriously? The Consent to Medical and Dental Procedures Act passed this Parliament as you, Ms President, know, quite some time ago, and it was the subject of full and exhaustive debate. It travelled, of course, with the Mental Health Act Amendment Bill which was not only subject to full and exhaustive debate and scrutiny but which was also, of course, on my motion referred to a select committee of this House, a select committee of which, from recollection, Dr Ritson was a member. He now gets up in this place and uses the introduction of the best informed consent procedures in the country to denigrate the School Dental Service.

The Hon. Mr Burdett should know something about this. He used to climb to his feet every two or three weeks when he was the shadow Minister of Health and take the occasion to denigrate the best school dental service in the country, in fact, one of the best in the world. Last year it treated free of cost to families 165 000 preschool and schoolchildren in this State. By 1988, our bicentennial year, the service will be available, free of charge to the parents, to every preschool and schoolchild in this State up to and including the year in which they turn 16.

Back in those dim dark days when Mr Burdett was the shadow spokesman on health, he was so persistent in his attacks in early days that we took the trouble to get Dr Barnes from the World Health Organisation to come to South Australia from Geneva to review the School Dental Service with specific emphasis on quality assurance mechanisms. Of course, that report, Ms President, as I am sure you will remember, was glowing in its praise of the South Australian School Dental Service.

Members interjecting:

The Hon. J.R. CORNWALL: Our surveys show that 97 per cent of South Australian parents fully support the School Dental Service. It is a very good service indeed, and members opposite—these D grade actors in this C grade theatre of the absurd—can knock it every day as far as I am concerned. They do us a great favour: it tends to highlight just how good is the service.

Specifically with regard to consent procedures, a booklet and consent form at this stage have been sent to every doctor and dentist in the State, including, of course, dentists who work in the School Dental Service and in the public and community dental health service generally. They have been advised that the expected date of proclamation is some time during December 1986. As part of the very extensive education program or consultative processes that have gone on, all dentists and medical practitioners in this State have been given the opportunity to familiarise themselves with the procedures that will become law when these two Acts are soon proclaimed. The consent procedures and consent legislation codifies and gives certainty to the common law. Specifically with regard to the School Dental Service, we will expect the law to apply. We will expect the dentists who supervise the treatments under the school dental service procedures to familiarise themselves with the legislation and to ensure that they apply it according to the responsibilities that apply to them under that legislation.

PETROL RETAILING COMMITTEE

The Hon. J.C. BURDETT: Will the Attorney-General confirm that the Government has now received the report of the *ad hoc* committee on petrol retailing which was appointed during the election campaign, which was chaired by Mr Geoff Virgo and which was originally scheduled to report in March? Will he confirm that an announcement is imminent of the Government's decision to allow all service stations to trade 24 hours a day?

The Hon. C.J. SUMNER: The simple answer is 'No'. The honourable member seems to be wrongly informed. I have not seen the report from Mr Virgo's committee yet, so I am not aware of its contents. However, I expect that I will be advised of them shortly as I have an appointment to see him this afternoon. That certainly does not indicate that the Government has taken any decision on the report. Quite frankly, I do not know what it contains.

SATELLITE APPLICATIONS

The Hon. PETER DUNN: I seek leave to make a brief explanation prior to asking the Minister of Local Government, representing the Minister for Technology, a question about satellite applications in South Australia.

Leave granted.

The Hon. PETER DUNN: I have a letter which is from the Minister for Technology addressed to the Drug and Alcohol Services Council and which states:

> The progress report on satellite applications for South Australia was completed on Friday 30 May and has been presented to the Minister today. He has agreed to make a copy available to the convener of your working party with the request he makes this available for your perusal.

The letter also states:

> Of particular note in the advice provided was the common concern shown by all groups for the recipients of satellite services. This concern has been clearly articulated in the report, as has the need for remote communities to have a degree of local control . . .

When will the report be available and to whom? Who were the recipient groups contacted? What input would the Drug

and Alcohol Services Council have to the reporting committee?

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

HEALTH SURVEYORS

The Hon. J.C. IRWIN: I seek leave to make a brief explanation before asking the Minister of Local Government a question about health surveyors.

Leave granted.

The Hon. J.C. IRWIN: The Minister and members may know the difficulty encountered by rural local government in employing separate health, building and planning officers. It is often the case that councils can find a building surveyor without health qualifications and/or a health surveyor without building qualifications. This situation is made worse by the lack of an external health course in South Australia. Joint schemes between councils employing qualified health inspectors and building inspectors can in some cases solve the problem, but in much of rural South Australia distance makes this a somewhat uneconomical alternative.

Legislation requires the employment of qualified applicants for health surveyor positions. The Environmental Health Working Party Report envisages that health surveying as a profession should be upgraded to graduate level. That would make it even more impossible for multiple-duty officers to be found.

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: I am not questioning that; it has given its direction. What is the Minister of Local Government doing regarding the provision of an external health course in South Australia, and will she give an unequivocal assurance that all councils will not be forced to employ graduate health surveyors?

The Hon. BARBARA WIESE: I am aware of the problems that exist, particularly in rural areas, in the employment of suitably qualified officers to fulfil certain functions of local government. I know of the debate currently taking place about whether or not health surveyors should have a certain qualification. The matter is currently being discussed by the Local Government Qualifications Committee, and I do not know whether or not the committee has a view on it. Certainly, at this stage the Government has not adopted a policy position on the question. With respect to a suitable external course, perhaps that is a question better directed to one of my colleagues who is responsible for education. Before long I expect to discuss with representatives of the Local Government Qualifications Committee some of these issues of qualifications so that the Government may determine a position on it.

HEALTH COMMISSION LAND

The Hon. J.C. BURDETT: I seek leave to make a brief explanation prior to asking the Minister of Health a question on the subject of Health Commission land.

Leave granted.

The Hon. J.C. BURDETT: On 14 August 1985, at page 243 of *Hansard*, I asked the Minister a question concerning the Minister's announced intention to sell off $20 million worth of Health Commission property and apply it to health improvements. The headline in the *News* of 13 August 1985 stated, '$20 million sale plan for health mansions'. In his answer, the Minister said, at page 244 of *Hansard*:

> So I put together a significant portfolio of properties. I have Cabinet approval over the course of the next three years or thereabouts to put up a succession of packages to realise on these properties. In some cases, as I said, it will be land that is available at places like Glenside and Hillcrest. In other places it will involve a staged rehousing or reaccommodation of existing services and accommodation.

It is now, Madam President, almost 12 months down the track from when that question was asked and answered. My questions are as follows:

1. What progress has been made with the plan?
2. What properties have been sold or approved for sale?
3. If any sales have taken place or are planned, what improvements will the proceeds be allocated to?

The Hon. J.R. CORNWALL: At the moment, Ms President, there is a very extensive consultancy proceeding. From memory, the consultants are examining, in the first instance, five or six major properties and holdings of the South Australian Health Commission. I am awaiting a report. It will be a very significant report because it will contain a number of recommendations which will in many ways establish precedents for the way in which we can proceed with an orderly land and property disposal and rationalisation. With regard to how that money will be applied, it will, of course, be processed through Treasury. It will revert to the general capital account and thereby the consolidated account, but we will be given significant credits in developing the five-year capital works program from those sales as they proceed.

I do not have the report of those consultants at this time, but the consultancy has been proceeding now, as I understand it, for a reasonable period. I am pleased that the honourable member has reminded me. I shall call for a progress report to see just where it is at. However, he should not concern himself too unduly. The whole question of property rationalisation and sale, as part of a very large and positive capital works program in the health and welfare portfolios, is proceeding satisfactorily.

CHILD ABUSE

The Hon. DIANA LAIDLAW: I seek leave to make a short explanation prior to asking the Minister of Community Welfare a question on child abuse.

Leave granted.

The Hon. DIANA LAIDLAW: According to the Minister, he and the Government have determined that no other area deserves a higher priority than does child abuse. I trust, therefore—

The Hon. J.R. Cornwall: Child protection.

The Hon. DIANA LAIDLAW: Protection for abused children. I therefore trust that the Minister is aware, in relation to prevention services, that an essential support service for mothers and their children is respite care available on a 24-hour basis. Can the Minister explain why he has not seen fit to provide CAFHS with funding sufficient to restore its capacity to reopen the doors of Torrens House after 5 p.m. on weekdays and over weekends?

The Hon. J.R. CORNWALL: The service at Torrens House was reorganised some years ago. Torrens House has not operated as a 24-hour facility for years. To the best of my recollection—and I would not be held to it at risk of my political future—that probably occurred during the period of the Tonkin Government when CAFHS was first created. Certainly, Torrens House has not operated a 24-hour service for a number of years. It operates now far more effectively than it did previously. It provides a service across the board to assist mothers and their new babies in coping. There used to be, during the 24-hour days, a tendency for that

service in some respects to be elitist and to be nowhere near as cost effective as it might have been. On the latest advice that I have been given—and I have queried this on a number of occasions, Ms President—the senior management of CAFHS is satisfied that the service provided at Torrens House now is cost effective. It is a more comprehensive service to significantly more mothers and their young babies than it was possible to provide before.

The question of restriction of hours really does not come into it; it is not that sort of service. Torrens House is not the agency which provides crisis interventions and crisis services. Torrens House provides a service to specifically assist new mothers with difficulties in child rearing or early care of their young infants. In that respect, as I said, it has been reviewed and continuously kept under surveillance, if you like, by senior management of CAFHS for a number of years. I repeat that when I was last at CAFHS which, as I recall now, was only three or four weeks ago, management reiterated what they had told me previously, that they were very happy with the way in which that service was operating.

The Hon. DIANA LAIDLAW: I have a supplementary question. Could the Minister confirm whether in relation to prevention services he sees that priority should be given to a 24-hour respite service on a seven-day-a-week basis?

The Hon. J.R. CORNWALL: Well, I am not an expert in that particular field. I take the advice of those people who are charged with running the services in the State.

The Hon. Diana Laidlaw: It's a pity that you did not attend the conference that the Department of Community Welfare organised yesterday.

The Hon. J.R. CORNWALL: CAFHS conducts a very good service; it will conduct an even better service as we move to coalescence. The Hon. Miss Laidlaw apparently thinks she is asking some sort of trick question. I am aware—

The Hon. C.J. Sumner interjecting:

The Hon. J.R. CORNWALL: I do not know. I am aware that in the past, prior to my being given the two portfolios of Health and Welfare, there has been some dissatisfaction expressed about the cooperation available between Crisis Care, between Community Welfare services and between the services which were provided by the Child Adolescent and Family Health Service. Let me tell the Council that we have done a number of things in recent months to improve the services even further. One was to reorganise CAFHS. Another was to appoint Mary Corich as Director of CAFHS. She is quite an outstanding person in the field and I was delighted to be able to rerecruit her from the Victorians who had taken her from us.

We have also established very successfully the new Child and Adolescent Mental Health Service based on Adelaide Children's Hospital and Flinders Medical Centre. Already we are putting teams in place for the Child and Adolescent Mental Health Service. One will go in place in the near future in Divett Street, Port Adelaide. So, the Child and Adolescent Mental Health Service has been reorganised. It is noteworthy that for the first time in more than a decade we now have child psychiatrists actually wanting to work for the service. That is already proving to be a very successful initiative.

One of the many areas which we are looking at for coalescence, which means growing together, is the relationship between DCW and CAFHS, between of course DCW and CAMS, and between DCW and the Intellectually Disabled Services Council. Looking at specifically respite services, and looking at specifically services for a whole range of clients for whom the health area has not in the past perhaps catered comprehensively and for whom at the same time the welfare spectrum has not catered comprehensively, there have, as the Council is well aware (I have said this on many occasions)—

The Hon. C.M. Hill: Can't you condense the answer?

The Hon. J.R. CORNWALL: No—it is most important. The Hon. Miss Laidlaw asked a supplementary question and I am trying to instruct her. She is the Hon. Mr Hill's protege, but she is not a very quick learner.

The Hon. C.M. Hill: You're not a very quick answerer.

The Hon. J.R. CORNWALL: Quite right. I have two very complex portfolio areas and I like to give comprehensive answers. So, as we grow together—

The Hon. C.M. Hill: He reckons he is the hardest working—

The PRESIDENT: I call the Hon. Mr Hill to order.

The Hon. C.M. Hill: —and has the biggest ego.

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: No. I will tell you who has the biggest ego—your Leader in this place: he who would be Premier. There is an ego.

The Hon. C.M. Hill: You make things up as you go along.

The Hon. J.R. CORNWALL: Not that one. Let me say that, as we continue the process of coalescence, the good services provided by all of these agencies—and I must say that on behalf of all the good professionals who work in these agencies that I do not believe that the Hon. Miss Laidlaw with her peripheral knowledge ought to leap to her feet and denigrate them—will become even better.

STATE GOVERNMENT COSTS

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister of Local Government a question about the recovery of State Government costs.

Leave granted.

The Hon. R.I. LUCAS: A document circulated by the City of Unley in the past couple of weeks outlines to councillors a copy of recent correspondence from the Department of Lands advising changes in the charging procedures for valuations conducted by the Valuer-General's Department. The letter states:

> In short, the Valuer-General, under direction of the Minister of Lands, is now pursuing a policy of full cost recovery from the provision of this service. This policy is being implemented over a five-year period. In the case of this city, the approximate costs will be:

1986-87	$4 500
1987-88	$9 700
1988-89	$14 500
1989-90	$21 000
1990-91	$26 000
[5 year total]	$75 700

> It may be of interest that previously council paid a fee to the Valuer-General when a full assessment was provided (that is, once every five years). This cost was previously $15 000 in 1984-85.

A comparison of the two costs is $15 000 in the previous five-year period and an estimated cost of $75 000 for the City of Unley in the next five-year period. My questions to the Minister are:

1. Does the Minister support this policy of transferring departmental costs to local government? There was a story earlier this week about the transferring of Electoral Commission costs to local government as well.

2. What other departmental costs are to be transferred to local government in this manner?

3. Will the Minister provide some estimate of the increased costs to local government in general under these proposals of the Government?

The Hon. BARBARA WIESE: I share the honourable member's concern about costs that are being passed on to local government—not necessarily the individual costs that are being passed on, but rather that decisions are being taken independently of each other within the South Australian Government in various departments about passing on particular costs of functions which are performed by State Government departments on behalf of local government. For that reason it is a matter that I have been discussing with officers of my department in recent times.

The Hon. C.M. Hill: What about the Minister of Lands? Have you discussed it with him?

The Hon. BARBARA WIESE: The Hon. Mr Hill should just listen to my reply. I have been discussing this matter with officers of my department to establish a mechanism whereby within the South Australian Government we might have a clearing house, as it were, so that when departments are proposing to pass on costs at one point or another—

The Hon. C.M. Hill: It's not a departmental decision.

The Hon. BARBARA WIESE: Be quiet: just listen to my reply.

The Hon. C.M. Hill: Who runs the show?

The PRESIDENT: Order! I am running this show. I ask the Hon. Mr Hill to please keep in order.

The Hon. BARBARA WIESE: I am trying to establish a mechanism whereby there can be consultation prior to any charges being passed on to local government so that the State Government does have a policy position on the issue and we can be sure of which charges, if any, are appropriate to pass on, and when that should occur, so that the impact on local government is not a burden that is unreasonable for local government authorities to bear. I hope that very soon I will be able to have a mechanism of that kind in place and in that way I think we can assist local government, first, to know what sort of discussions have taken place within State Government departments about passing on charges and, secondly, to try to rationalise decisions being made so that the burdens are not unreasonable.

The Hon. R.I. LUCAS: I ask a supplementary question. Will the Minister bring back an estimate of the increased costs to local government as a result of the decisions already taken recently by the Government (whether it be various Ministers, departments of whatever) to transfer departmental costs to local government?

The Hon. BARBARA WIESE: I think that the honourable member will have to be a little more specific. Is he suggesting that we go back to the year 1900, or what exactly does he have in mind?

The Hon. R.I. LUCAS: I have a further supplementary question. Will the Minister bring back to the Council an estimate of the increased costs for local government as a result of the recent decisions by the Government to transfer costs such as the ones I have referred to (the Valuer-General's costs and the Electoral Commission costs) and any other recent decisions that have been taken this year to transfer costs from departments to local government? Will the Minister provide an estimate of the total increase in costs for local government in South Australia as a result of the Government's decision?

The Hon. BARBARA WIESE: That is certainly a more reasonable question. The honourable member now asks me to provide an estimate of costs which are being passed on to local government as a result of decisions that have been made this year. I shall attempt to collect that information and provide it to the honourable member.

PETROL SALES

The Hon. C.M. HILL: I seek leave to make a brief explanation before asking the Attorney-General a question about a report by the Hon. Mr Virgo's committee.

Leave granted.

The Hon. C.M. HILL: Earlier today I was involved in other parliamentary duties, but this matter that I raise is of such importance that I bring it forward now. I refer to the report by the committee chaired by the Hon. Geoff Virgo on the question of petrol sales and other relative matters. I understand that that committee either has reported or is reporting this day to the Attorney-General and that one of its recommendations is that petrol sales be allowed on a 24-hour basis in South Australia. First, is the Attorney-General prepared to make the recommendations of this committee public and, secondly, does he agree with the recommendation in that report that petrol sales should be on a 24-hour basis in this State?

The Hon. C.J. SUMNER: The Opposition astonishes me. It comes into this Council complaining that it does not have sufficient time to ask questions of Ministers and then, when it does have sufficient time, we have the Hon. Mr Hill asking us virtually the same question as the Hon. Mr Burdett asked me only half an hour ago. I answered the honourable member's question half an hour ago and now the Hon. Mr Hill seeks to obtain the same information. I am not sure whether the Hon. Mr Hill was temporarily out of the Council on some other business, but I suggest that he check with the Hon. Mr Burdett.

The Hon. C.M. Hill: I did not know that the Hon. Mr Burdett had asked the question.

The Hon. C.J. SUMNER: He asked a question and I have already answered it. I did not want to waste the Opposition's time (because it complains that it does not have sufficient time for questions) by having to answer it again.

The Hon. C.M. Hill interjecting:

The Hon. C.J. SUMNER: The honourable member wants it answered, so I will answer it again. It is the second time I have answered it this afternoon. I have not received the report of the Virgo committee on the hours of opening and related matters for petrol resellers. Members know from press statements that the committee was established and that Mr Virgo agreed to chair that committee, which consisted also of representatives of the motor trade association and the oil companies. It has met over a number of months and, as I indicated before, I understand that its report is imminent. I have not yet seen the report, but Mr Virgo is due to see me this afternoon.

The Hon. C.M. Hill: You are getting it today and you know it.

The Hon. C.J. SUMNER: That is what I have said. I have already told the Hon. Mr Burdett that as well as the others who were in the Council at the time. They know it.

The Hon. C.M. Hill: Now you're fudging.

The Hon. C.J. SUMNER: I am not.

The Hon. C.M. Hill: You are fudging. What is your view on the issue?

The Hon. C.J. SUMNER: The honourable member is jumping the gun. I have already said that Mr Virgo is to see me this afternoon and I assume that he will discuss with me his report and he may well present it to me.

The Hon. M.B. Cameron: You know what's in it.

The Hon. C.J. SUMNER: I do not; honestly, I have not seen the report.

The Hon. C.M. Hill: It has already been announced in the other House that he is going to give it to you today; one of your Ministers said that.

The Hon. C.J. SUMNER: I will see him at 4.30 this afternoon.

The Hon. C.M. Hill: Come clean!

The Hon. C.J. SUMNER: I said that I assume I will get the report.

The Hon. C.M. Hill: You know you are going to get it; you don't assume it. They have already announced it.

The PRESIDENT: Order!

The Hon. C.J. SUMNER: He may change his mind on his way from home to Parliament House. I assume that Mr Virgo will present the report.

The Hon. C.M. Hill: Get back to the issue: what about 24-hour sales?

The PRESIDENT: Order!

The Hon. C.J. SUMNER: It is a very important question that the Hon. Mr Hill asks and that is why we set up the inquiry. That is why the committee was established, with Mr Virgo chairing it, to address this very issue, along with a number of other issues that were also given to the committee. When one establishes a committee under such prestigeous chairmanship as the Hon. Mr Virgo, it is usually wise to await the committee's report. That, Madam President, is what I intend to do. I suspect that the Hon. Mr Hill will be put out of his misery, if not today, then at some stage in the reasonably near future. The Government will consider Mr Virgo's report (assuming that I get it today) and, when decisions are made about the topics addressed in that report, then the honourable member, along with the rest of the South Australian public, will be advised.

GOVERNMENT FINANCING AUTHORITY ACT AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

In light of the fact that this Bill has been dealt with in another place, I seek leave to have the explanation inserted in *Hansard* without my reading it.

Leave granted.

The Hon. C.M. Hill: This is a new system. He does it every time.

The PRESIDENT: Order! I point out that leave was sought. Any member of the Council may refuse leave by indicating that information. I suggest that the Hon. Mr Hill not complain once leave has been granted, because he had the opportunity to refuse leave.

The Hon. C.M. Hill: I want to hear the second reading explanation.

The Hon. C.J. Sumner: Read it in *Hansard* tomorrow.

The Hon. C.M. Hill: I don't want to read it. I am sitting here and I want to hear it.

The Hon. C.J. Sumner: It is all right to read the second reading explanation for new Bills, but not for Bills that have passed in the House of Assembly.

The Hon. C.M. Hill: There might have been amendments and the explanation might not be the same.

The PRESIDENT: Order! I have already pointed out that leave was granted to have the second reading explanation inserted in *Hansard.* No member of the Council refused leave.

The Hon. C.J. Sumner: Hear, hear! A very sensible decision, too. It saves everyone a lot of time.

The Hon. C.M. Hill interjecting:

The PRESIDENT: Order! If honourable members are concerned, they should take the appropriate action at the appropriate time.

Explanation of Bill

The purpose of this Bill is to amend the Government Financing Authority Act 1982. That Act established the South Australian Government Financing Authority which became operational early in 1983. The authority has become known within the Government and in the financial markets as "SAFA" and I shall use that handy acronym in this speech. I wish to place on record, in brief and summarised terms, why the Government regards SAFA as one of the prime examples of how public enterprise organisations can serve the general interests of the community and at the same time operate in a commercially successful manner. In balance sheet terms SAFA is now the largest corporate body—public or private—in this State, with assets totalling $5.5 billion at June 1985 and which will be over $7 billion when the accounts are published for June 1986. It achieved a total operating surplus of $83 million in 1984-85, of which $35 million was paid as a contribution to Consolidated Revenue. The 1985-86 figures will again show substantial growth.

All States now have central finance agencies, though they differ in scope and structure. SAFA is the largest of these organisations, not just in absolute but in relative terms. It is by far the most profitable. Its reputation in the professional financial markets, both domestically and internationally, is high. It has been given the highest possible rating—triple A—by Australian Ratings Ltd. Amongst its attributes, SAFA has the best gearing—i.e., the ratio of capital to debt—of any major financial organisation in Australia. One of SAFA's central functions is to provide loan funds to the Government and to semi-government authorities. This is being done in a way which is administratively smooth and simple, and which all of the numerous semi-government borrowers in the State find acceptable. In addition to its activities which are directly related to public sector finances, SAFA also engages in a range of commercial transactions which yield surpluses which can be used, in effect, to reduce the net interest costs of the State. All this, and more, has been achieved without any undue risk taking. SAFA's investment guidelines are conservative and quite appropriately so. It has no exposures through borrowings in foreign currencies. Its reserves are considerable.

Turning to the Bill now before the House, I would emphasise that it would in no way alter the fundamental structure, role or character of SAFA. It is largely in the nature of a 'tidying up' exercise, designed to correct various weaknesses—mostly of a minor nature—which have been revealed by experience and/or by Crown Law advice on the interpretation of parts of the principal Act.

The amendments fall into several categories. Clauses 2, 3 and 8 are designed to improve the decision-making procedures of the Authority. The most important of these is the provision in clause 2 to increase the number of members of the board from four to six. This will, amongst other things, facilitate the appointment to the board of people from the private sector which the Government sees as significant in the terms of bringing the best balance and range of expertise to the board. Clause 3 adjusts the quorum provisions to allow for the increase in numbers of members and inserts a new provision which would enable the author-

ity to make decisions other than at a meeting. This will facilitate decision-making in what can be very rapidly changing circumstances in financial markets. Clause 8 makes a change in procedural detail in that certificates which may now be given by the Treasurer under section 24 may be given instead by the Chairman of the authority (who is, by virtue of section 6, the Under Treasurer).

Clause 4 adds to the functions and powers of the authority. The functions of the authority are defined in section 11 of the Act, as it stands, in terms of the development of borrowing and investment programs for semi-government authorities and such other activities relating to the finances of the Government or authorities as may be approved by the Treasurer. Clause 4 broadens this by referring to 'such other financial activities as are determined by the Treasurer to be in the interests of the State'. This would permit the authority to engage in transactions which, while not directly affecting the finances of the Government or its authorities, are in the interests of the State in a broader sense. Let me give one practical example of this. It was considered desirable, and because of a bank guarantee clearly prudent, for the authority to lend to a nursing home pending the receipt of a Commonwealth grant. This was outside the authority's powers and a more cumbersome method of assisting had to be found.

I would also draw particular attention to the power granted by clause 4 to purchase shares or to form companies. When the original legislation was drafted, it was believed that the general and incidental powers given to the authority under section 11 extended to these activities. However, Crown Law advice—which also applied, quite unexpectedly to the SGIC—has indicated that this was not the case. Express powers are therefore required. These powers, along with all others, can only be exercised subject to the Treasurer's approval and direction. This ensures consistency with overall Government policy and Cabinet accountability.

Clause 5 takes account of the creation, subsequent to passage of the original legislation, of the Local Government Finance Authority of South Australia by exempting it from the powers of compulsion given to the Treasurer under section 16 of the existing Act. As the LGFA is established as a separate body to engage in financial activities on behalf of local government, the Government has agreed with local government representatives that it would be inappropriate if the Government were able to compel it to use the services of the South Australian Government Financing Authority. I should add that, in practice, SAFA and LGFA work very closely and productively together. Clause 6 is purely technical. Advice given by Crown Law cast doubt on whether section 17 of the existing Act, which enables funds at Treasury to be deposited with SAFA, was as comprehensive as was intended. The phrase which it is proposed to be added meets the problem raised by Crown Law. Clause 7 amends section 23 of the principal Act which deals with liability to taxation. Under this section, SAFA, and instruments to which it is a party, are liable to all State taxes, duties and imposts, but there is provision for the Treasurer to grant exemptions by notice in the *Gazette*. Such a notice has been given, exempting SAFA and instruments to which it is a party from stamp duty.

There have been a number of individual financing transactions which SAFA has entered into involving several parties and a variety of documents—some of which have been between the other parties, although still relating to the SAFA transaction. In respect of those documents to which SAFA is not a party, stamp duty has been payable and, in order for the transaction to remain attractive to the other parties, the Government has undertaken to meet this expense. This has led to distortions in stamp duty receipts on the Consolidated Account and to the refund and remissions expenditure line.

Clause 7 extends this provision to enable the exemption from State taxes of documents which are related to transactions to which SAFA is a party. Such an exemption would not affect the taxation revenues of the State adversely. As already explained, the Government or SAFA, not the other parties, would otherwise pay the duty—either directly or indirectly through an adjustment to the pricing of the transaction—or, alternatively, the transaction would not be proceeded with by the other parties on account of their liability for stamp duty. As other semi-government authorities encounter similar situations from time to time, clause 7 also enables the Treasurer to grant similar exemptions to other semi-government authorities proclaimed under the Act, as well as SAFA itself.

I commend the Bill to the House.

Clause 1 is formal. Clause 2 amends section 6 of the principal Act to provide that the Government Financing Authority is constituted by a minimum of three members and a maximum of six members, as the Governor determines. Clause 3 amends section 8 of the principal Act which provides for meetings and decisions of the authority. The amendment provides that where the authority consists of three members, two members constitute a quorum and where the Authority consists of more than three members, three members constitute a quorum. It further provides that a decision may be made, otherwise than at a meeting, if all members concur in the decision and that a record must be kept of any such decision.

Clause 4 amends section 11 of the principal Act. The amendment broadens the functions of the authority by allowing it to engage in any financial activities determined by the Treasurer to be in the interests of the State. The amendment also makes it clear that the authority has the following powers: to lend to any person, to deal in shares, to appoint an attorney, to enter into contracts of indemnity, to enter into partnerships and joint ventures and to form companies. Clause 5 amends section 16 of the principal Act to ensure that the Treasurer cannot require the Local Government Finance Authority to exclusively borrow moneys from or deposit moneys with the authority.

Clause 6 amends section 17 of the principal Act to make it clear that moneys that may be issued and applied only under the authority of an Act of Parliament may be deposited with the authority. Clause 7 expands the scope of section 23 of the principal Act which allows the Treasurer to exempt the authority or instruments to which the authority is a party from a tax, duty or other impost. The amendment encompasses within this power, instruments to which a semi-government authority is a party and instruments which arise from or are connected with a transaction to which the authority or a semi-government authority is a party. Clause 8 substitutes section 24 of the principal Act. The new section provides that a certificate issued by the chairman of the authority certifying that a decision of the authority or anything done by the authority was made or done in accordance with the Act shall shall be accepted as proof of the matter in the absence of proof to the contrary.

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

SALES TAX

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

That this Council does not, at this time, support the imposition of increased sales tax on wine nor sales tax to be introduced to

fruit juice, fruit juice drinks, non-alcoholic wine, and flavoured milks, as proposed in the Federal budget. Further to that, this Council encourages all South Australian members of Federal Parliament to oppose their imposition.

I will give a short history lesson. Until last year, no wine tax was imposed. It was generally conceded in the industry, however, that a wine tax was inevitable. I have been told that by many people from wineries to whom I have spoken. The major questions were when it should be introduced and at what level the tax should be. Before those questions could be answered, a number of matters had to be considered. First, who would pay the tax? Theoretically, the consumer would pay. The other possibility is that the tax would be absorbed. It was suggested (and history has shown it to be correct) that there would be absorption.

The Hon. C.M. Hill: Did Janine Haines vote against it when it was introduced?

The Hon. M.J. ELLIOTT: I will get to that in due course. The result has been that, rather than the consumer paying the tax, the grapegrower has paid it. For every 1c per bottle absorbed by the average grower, $1 500 is lost from income. It is also evident that the tax would suppress demand. History again has proved this to be the case, with wine coolers being the saviour last season. The grower was faced with both decreased returns and decreased demand. It was evident that growers would need to get out of the industry. The majority of growers operated in irrigated areas and they would be looking to plant other tree crops, but these would take from four to eight years to come into production.

The Democrats took the view that, if the tax was inevitable, it should be phased in over four years. This meant that the restructuring of the industry and of individual growers' plantings could be done in such a manner as to do minimal economic harm, collectively and to the individual. Of course the damage done to the non-irrigated areas, such as Clare and the Barossa Valley, was even more worrying, as the only alternative was grazing, which is a less intensive industry with lower returns per hectare. A gradual restructuring offered those areas some hope, if sufficient vines were removed in the irrigated areas. Liberal Party members went around the countryside with furrowed brows and with much beating of chests saying 'what a terrible thing this wine tax is'. When the budget Bills reached the Senate, the Democrats moved that the wine tax be phased in over four years. Obviously, Mr Hill does not want to know anything about this.

The Liberals joined the Labor Party to defeat the amendment and then voted for the full 10 per cent tax to come into effect immediately. Instead of supporting a phased-in tax over four years, the Liberals, who had said it was a terrible tax, voted for the tax in its entirety and then spent the next 12 months going around saying what a terrible thing it was. What a hypocritical action! Their excuse was that they would not amend a money Bill. Presumably they expect the public to think that a money Bill is the same as a Supply Bill.

There are two possible explanations for their actions, which are not mutually exclusive. First, they wanted and supported the wine tax and, secondly, they felt that if an unpopular tax came in they could beat the Labor Party around the head with it. Now, 12 months down the line, the tax is about to be doubled to 20 per cent in the current Federal budget—from no tax to 20 per cent in 12 months! This is just not on, for the reasons that I gave previously when I said that the 10 per cent tax should not come in one fell swoop.

We now also see the proposal for taxes on fruit juices. The Riverland in particular, which is already undergoing a massive reconstruction of its economy, is about to be hit for six. The citrus industry was probably the most reliable of the horticultural industries. However, juice sales are an important component of the citrus industry. Any decline in sales will reverberate throughout the citrus industry. Many growers who have only just got out of wine grape growing have planted citrus, and others have been planting apple trees for juicing. There has been a lot of apple tree planting in the Loxton area. I contend that taxes that affect the horticultural industries must be either phased in and/or be preceded by some forewarning. They must not come out of the blue. As I said previously, it takes up to eight years for some crops, for example pistachios, to mature. The growers do not need taxes that cause such major disruption to the industry.

A second concern is that the taxing of fruit juices and flavoured milks (the latter making up 12 per cent of all milk sales) represents a tax on foods. These foods may be in convenience form, but nevertheless they are foods. I hope that this is not the thin end of the wedge; I hope that the Government is not about to tax foods generally.

I am watching Liberal Party members with great interest, as are all fruit growers. Will they once again go around with furrowed brows and then vote for the taxes to come in? The hoo-ha exhibited by Mr Olsen yesterday was shameless. The Liberals carry on as if the State Liberal Party has nothing to do with the Federal Liberal Party. Likewise for Mr Bannon: 'What a terrible thing,' he said. The Senate is a State house. Senators from South Australia are supposed to be representing the interests of South Australia and not blindly following Party line. So says the theory! I expect all South Australian senators, regardless of their political persuasion, to vote against these taxes, which are an unfair impost against one State—South Australia. I believe that these taxes are unjust in themselves, but I certainly believe that Senators from this State will vote against them. I can guarantee that the fruit growers of South Australia will be watching with a great deal of interest to see what Senators from this State do.

The Hon. C.J. SUMNER (Attorney-General): I support the motion. This matter was thoroughly debated in the House of Assembly yesterday. The Government put its position on this topic to that House through the Premier. I do not wish to say anything beyond referring members to that debate and the Premier's comments. For the record in this place, I will cite the motion that was finally passed, as follows:

That this House—recognising that an increase in the wine sales tax and the removal of sales tax exemptions on fruit juice drinks containing a minimum of 25 per cent of Australian juice unfairly discriminate against South Australia because they will cause further widespread disruption and loss of income and jobs in our vital decentralised grape growing, fruit growing, wine and fruit producing industries; expresses its condemnation of the Federal Government's decision and calls on the State Government in conjunction with appropriate industry representatives to prepare a strategy to minimise the impact of the Federal impost including: representation to the Federal Government protesting at the decision, outlining its economic consequences and its discriminatory application and seeking its modification or abolition; industry readjustment measures with full Federal Government financial support to maintain the viability of vine and fruit growing activities and regions; and marketing and export schemes and initiatives aimed at maintaining South Australia's market dominance in all sections of the industry.

That motion passed the House of Assembly with Government support. It expresses its concern at the decision taken by the Federal Government in the budget. It adopts a positive approach to the issue. It outlines action that the Government feels ought to be taken to attempt, in conjunction with industry representatives, to prepare a strategy to minimise the impact of the impost, including protesting

at the decision, and it states the consequences for South Australia.

In my view the motion moved by the Hon. Mr Elliott, in effect, picks up the issues expressed yesterday in the House of Assembly. Therefore, I support the motion which indicates that at this time the sales tax should not be imposed. There is no doubt that the industry is going through a difficult time.

An honourable member: More than difficult.

The Hon. C.J. SUMNER: The honourable member says, 'More than difficult': it is a difficult time. There has been considerable restructuring, and that is continuing. This additional impost at this time will obviously create severe difficulties for the whole of the industry and the Riverland, in particular. However, yesterday the Premier said that we must adopt a positive approach, first, to attempt to get the position changed and, if that is not successful, at least, with industry, we should try to minimise the effects of the decision on South Australia both with respect to the wine industry and the fruit juice industry.

I refer members to the debate in the House of Assembly yesterday and, in particular, the contribution of the Premier which outlines the Government's position and which I do not believe is inconsistent with this motion although, if had I been left to my own devices, I may have expressed it in a somewhat different way.

The Hon. M.B. CAMERON (Leader of the Opposition): The Opposition supports this motion. Quite frankly, I do not think it is strong enough and that it expresses the point of view I would have put, because it is perhaps not directed enough at the people who have made the decision, that is, the Prime Minister, the Treasurer, and the Cabinet of the Federal Government. However, it is clear that South Australians are irrelevant in the eyes of the present Federal Government. There is only one reason why this tax was, first, imposed and now doubled, and that is a quite clear political point—the Federal Government believes that South Australia has only one marginal seat. Some 70 per cent of the industries affected are in this State. The Federal Government has set in train the end to a large part of the industry, particularly the smaller growers. That is a most unfortunate situation.

I am sorry that the Hon. Mr Elliott, in speaking to this motion and knowing as he did that he had fairly widespread support for it, started to develop a political angle in relation to what the Opposition might do. Let me make quite clear that as a South Australian I strongly object to what is happening. I object to the fact that at the last election the Federal Government indicated that there would be no wine tax, but then brought it in. There was nothing inevitable about it. That tax should not have been imposed because the Prime Minister clearly indicated that there would be no wine tax under a Federal Labor Government. He then went ahead and did it. In other words, he was lying to the public of Australia, and in particular to South Australians. Not only has he done that, but he has doubled what he said he was not going to impose, and he does not give a damn about the people of the Riverland and of this State, the people whose livelihood depends on these products.

The Federal Government has said that they will provide more money for the vine pull program. That is a big help—now that we have crossed you we will pay you to disappear out of the industry. The Federal Government thinks that South Australia is expendable. People who represent this State in the Federal Parliament know that it is lonely. I went there for a short time and they did not want me back. There is nothing so lonely as a South Australian Federal politician in Canberra because the numbers are overwhelmingly against you. However, when the next election is called the Federal Labor politicians will run around this State again just in case there are a few marginal seats—more than anticipated—particularly if they consider the 22 per cent swing in New South Wales. They might think twice about it when it gets close to the next election. If any South Australians believe this Federal Government they are naive. I would want a proposition in writing and in a sealed envelope so that we could open it afterwards to see just exactly what was said. I intend to move to amend the motion because I believe another issue should be addressed. I move:

That the following paragraph be inserted at the end of the motion:

This Council calls on the Premier to review current levels of the State liquor licence tax to determine whether some relief can be provided out of the estimated $4.5 million windfall that the State Government will receive to offset the immediate impact of the increased wine tax.

This second issue is that the liquor licensing tax is tied to this increase.

The Hon. C.J. Sumner: You should have circulated that amendment earlier instead of in the middle of the debate.

The Hon. M.B. CAMERON: I do not have to do that. I have only just received it. If the Attorney does not want to support it, that is fine by me. It is a very simple amendment.

The Hon. C.J. Sumner: You allowed me to speak, and now you move the amendment after I have spoken.

The Hon. M.B. CAMERON: You have plenty of members who can speak about it.

The Hon. C.J. Sumner: Why didn't you put it on file?

The Hon. M.B. CAMERON: Eight or nine members sit behind you. The Hon. Mr Roberts is a very eloquent member and he can put your point of view; turn around and tell him all about it. My single amendment outlines exactly what will happen, because a new situation will come about, that is, that the State Government will receive $4.5 million extra revenue. It thus has the opportunity to show whether it is genuine about this motion. The Attorney-General should not have to worry about it, because surely he does not want to profit out of a tax he does not want imposed.

What on earth is he talking about? What is he so upset about? Surely to goodness he would not want to profit out of a tax that he does not want and that he will move to have members in Canberra vote against.

The Hon. C.M. Hill: The Government has known about this tax since last Tuesday night.

The Hon. M.B. CAMERON: They knew about it last night, and this morning they read about it in the paper. That is the situation and I trust that the Attorney-General will not take any action that will make him look foolish in the eyes of the public of South Australia. If he does not support this amendment it would be quite improper for South Australia to send a motion to Canberra indicating that it does not want this increased tax and then to support any move to increase the return to the State Government through such a tax; that would be quite wrong. This is a fairly simple proposition that members are asked to support, and I commend the Hon. Mr Elliott for bringing the motion before the House. This is a quite proper course that he has taken on behalf of South Australia. We all know that he has an interest in the Riverland, because it was from there that he entered this Parliament. I understand that he has some knowledge of the Riverland and has used that knowledge to draw the Council's attention to this matter. I urge members to support both the amendment and the motion.

The Hon. I. GILFILLAN: The significance of this tax is that it incorporates a pernicious aspect which have not been readily identified; namely, its focus on a small section of the Australian population which is particularly vulnerable, which has already had several body blows and which is showing great courage to survive and develop. This tax is selective, discriminating against not just one industry but also against an area and a community which depends so much on this product. Emotion is easy to stir up here when politicians speak on this issue, and one gets the impression that if it depended on a decision made in this place there would be no consideration of a wine tax and that, in fact, Mr Hawke and Mr Keating would have to rethink this tax.

The tragic situation is that words come a lot cheaper than actions. I have not heard any undertaking in relation to this matter from either side of the Chamber. In fact, I doubt that I will get one from the Government side as no-one appears to be listening to my contribution to this debate. If those who are speaking so positively and strongly against this tax are sincere, where is the undertaking to badger and harass their federal colleagues to vote against it? Will I hear in the course of this debate that members here will undertake to argue vigorously that their members vote against this tax? It is all very well for platitudes, horror and mock indignation, but where is the undertaking that they will get into it and say that it is absolutely unacceptable and that members will urge other members of Parliament to vote against it? Unless we hear that put clearly and unequivocally, then I do not believe that the people in the Riverland, anyone in this Council, or people outside can place any credibility on the loud protestations of indignation made by other speakers to this motion. I look forward to hearing in this place, or outside, from these members of Parliament—

The Hon. M.B. Cameron interjecting:

The Hon. I. GILFILLAN: I pick up the Leader of the Opposition's interjection; I understand he is giving me a commitment—

The Hon. M.B. Cameron: I will be writing to all Federal members immediately this debate finishes to urge them to vote against this tax.

The Hon. I. GILFILLAN: I hope that *Hansard* picked up that comment that the Leader of the Opposition has undertaken to write to all federal members in South Australia urging them to vote against this tax.

Members interjecting:

The ACTING PRESIDENT (Hon. G.L. Bruce): Order! There is too much audible conversation.

The Hon. I. GILFILLAN: In fairness to the Leader of the Opposition, we cannot expect him to have the final say on how much notice others will take of what he has to say. In this instance, I hope they will listen and that the Government follows the excellent example set by the Leader of the Opposition under the goading of the caring section of this Parliament, the Democrats. I wait eagerly for the Government to give a similar undertaking and, if it does not, I question its sincerity in this matter. The people who really have their backs against the wall are sick of platitudes and would like to see some genuine effort to assist them. Finally, I believe that the amendment is constructive and helpful. Obviously, there is some question as to the exactness of the increased tax as it is estimated, but in general terms this is a constructive and helpful amendment, so I support both the amendment and the motion.

The Hon. M.J. ELLIOTT: I was hoping, as was the Hon. Mr Gilfillan, that there would be some assurances given. I hope to hear in the next two weeks that the Federal Liberal and Labor members from South Australia are opposing this tax in the Parliament. We have heard that the Labor Party will try to negotiate, which is wonderful, but if such negotiations fail it will have been for nothing. The Liberals want to sheet home the blame to the Prime Minister and the Treasurer, as well they can in the first instance because, after all, they brought down the budget. It is also true, if the Liberals are looking to sheet home blame, that the Government does not have the numbers in the Upper House in Canberra. So, the blame can be attributed in all sorts of ways, and if the Liberals are earnest in what they are saying, I am confident that this tax will be knocked back, which would be a good thing. I urge all members to support both the motion and the amendment.

Amendment carried; motion as amended carried.

SUPPLY BILL (No. 2)

Adjourned debate on second reading.

(Continued from 14 August. Page 365.)

The Hon. M.B. CAMERON (Leader of the Opposition): As is normal in these cases, the Opposition will support the Bill, although there is one subject on which I will say a few words; namely, the subject of British nurses in public hospitals in South Australia who are paid for out of the public purse, in case the Acting President is worried about this subject relating to Supply. The Minister of Health last week raised the question of British nurses. It is quite clear now, to me at least that, until I hear more from him, he is backing his new-found friend and confidant from Melbourne—

The ACTING PRESIDENT (Hon. G.L. Bruce): Order! There is too much audible conversation.

The Hon. M.B. CAMERON: —ahead of the nurses. I find myself in what might be seen as a role reversal situation backing working women against their purported employer. I find that situation somewhat strange.

When I first raised this question, it was to get some relief for these working women, but that seems to have disappeared. I find it extraordinary that the Royal Adelaide Hospital pays the Medical Control Centre $600 per nurse in recruitment fees. Why the agency needs to continue to profit from these girls through the travel and insurance arms of its organisation, as well as being paid its fees, is quite beyond me, and I am surprised at the Minister's continuing support.

I find it astounding also that the Minister made the following statement:

> It is not my role to arbitrate in disputes between Mr Richardson and the individual nurses who may be dissatisfied with their contracts for one reason or another.

What the Minister failed to understand, or did not want to understand, is that this complaint does not come from individual nurses but from almost all the British nurses in South Australian hospitals. If he had taken the trouble to discuss this matter with the nurses before getting up and backing this person, then he may well have not made some of the statements that have been attributed to him.

I checked last Friday whether there had been any contact between the nurses, the Health Commission and the Minister since his outburst. I was somewhat staggered to find that there had been none; however, I had a meeting with a group of these women and discussed with them a document I have received from the Medical Control Centre which outlines answers to my statements in the Council. I am quite prepared to make that document available to any person, including the Minister; but I will first go through a few parts of it.

The Minister made great play on the fact that I was supposed to have tabled the wrong information sheet. The MCC says the Victorian and South Australian sheets are distinctly different and that the South Australian sheets have the holiday package as an option. However, if the Minister had taken the trouble to speak to the women in South Australia, he would have found that the majority of them were given the Victorian document and were not told that any South Australian document existed. They were certainly never told that the holiday package was optional; even when they requested to opt out of the holiday package three weeks after they arrived in Australia, that request was refused. The MCC indicated in its document on page seven that all holiday arrangements were made prior to the signing of the contract and were therefore part of the contract. That was a lie and I can provide any member with copies of two letters which indicate that a request to withdraw from holidays was refused.

The Hon. C.M. Hill: Shouldn't the Minister of Health be in the Chamber listening?

The Hon. M.B. CAMERON: I do not care if he is not.

The ACTING PRESIDENT: Order! The Hon. Mr Hill is out of order.

The Hon. M.B. CAMERON: On one occasion a woman received notification one month after she had arrived in Australia that her bookings had been arranged. This shows that information given to the Minister that the agency arranged holidays before the women left England is incorrect, and indicates also that there was nothing stopping the agency from honouring her request.

I do not wish to name the women involved, because that would result in a breach of contract. However, the Minister has obviously been severely misled, even, I should say, clearly conned on this point. The MCC indicated it had been approached by one nurse who wished to show the contract to a lawyer. The MCC originally rufused this request and only agreed to it after having been approached by the Royal Australian Nursing Federation. To try to hide the fact that it had initially refused, it appears to have backdated the letter of reply. The letter agreeing to the nurse's request was dated 14 July; she received it on 24 July; the postmark on the letter was 23 July; in other words, there is quite a discrepancy there.

There has been some checking done by nurses on the costs of cancellation of their holidays. I assure the Council that the amount involved is very minimal, not the hundreds of dollars demanded by MCC from any nurse who has approached it. I will tell the Council what happened to these nurses from the beginning of their recruitment. They answered an advertisement in England. They went to an interview at which details of their contracts were not discussed with them. All the documents that they were supposed to receive were not at the interview. They were told about the holiday and how wonderful it would be. Many of them then proceeded to make arrangements, including giving the statutory month's notice to their employers.

They first received their contracts a fortnight before their departure when they had left their jobs and finalised their arrangements. The letter accompanying the contracts contained words to the effect that—'If you do not wish to accept this contract, let us know immediately and we will offer it to someone else.' You can imagine the pressure they felt, and there was certainly not time for negotiation. When they arrived in Australia after a 52-hour flight they were met by a staff member of MCC at the entrance gate. They were taken to a seat in the airport lounge and this person requested that they hand over their return tickets to England. The majority of nurses have not seen those tickets since, and I understand that they will not be given them until they are ready to leave; in other words, they were just not trusted to stay here.

They were then presented with a host of documents, including some requiring a signature, so the pressure was on them while they were still suffering from jet lag. They were then sent to Adelaide. There is no branch of the agency in Adelaide, so they must communicate by way of a reverse-charge call to Melbourne which they say is unsatisfactory. The nurses have found communications hopeless, rude and hostile and the director, who is now so available to the Minister, had little to say to them. I will have something to say about one of his communications later. Page 14 of this document states:

> Contracts are freely entered into and signed by nurses in the UK. In some cases of genuine hardship, the company has made generous concessions to nurses unable to fulfil their part of the contract after arrival in Australia.

I will tell honourable members about the generous behaviour of this agency towards a nurse who has a dying grandmother and a sick father and is desperate to return to England. She has, in fact, broken her contract and is leaving. She received no reply to her request to return to England until an approach was made by the RANF on her behalf. In relation to the RANF, members will recall the Minister saying:

> Not one of the British nurses was a member of that organisation: not one of them was a member of the appropriate union in this country.

I will tell honourable members what exactly happened in relation to these nurses. When they first approached me two months ago I told them to join the RANF, advice I am sure members opposite would have approved my giving. A number have since joined. In fact, the RANF has been dealing with the nurse I mentioned who desperately wants to return to England. She was given no option on the holiday package, and I strongly recommend she be interviewed by members of the Government.

As I said earlier, her grandmother is dying, her father is very ill and she is going to return to England. She rang MCC and the results of that conversation she put into a letter in mid July—long before I spoke in the Council about this issue; long before I met her. I will read out a draft copy of that letter, which she retained. I make it quite clear that this woman was not one I spoke to prior to bringing up the subject in the Council originally.

The Hon. R.I. Lucas: Is this another one?

The Hon. M.B. CAMERON: It is another one altogether—there were several in the group before. In quoting this letter, I ask that members opposite listen carefully to what I am about to say, because the letter is very interesting and states:

> Dear Mr Richardson,
>
> Further to our telephone conversation of 11 July 1986: Firstly, despite the clear request I made to have sent to me as soon as possible details of the exact amount of money, together with a breakdown of the amount necessary to secure my return to England, I have received no reply from you. It is patently obvious to me, in view of the grossly unprofessional behaviour of the Director I spoke to, that your clients' personal welfare is of no interest to you. Indeed, I was told quite categorically, and I quote—

This is from the nurse to the Director of the agency, and the letter continues:

> We are making heaps and heaps of money out of you—I am making no apology for that. We are not socialist idiots.

The Hon. T.G. Roberts: Can we have a copy?

The Hon. M.B. CAMERON: Yes, you can. I am only too pleased to provide copies of any document that I have in relation to this affair. I have only one request: these women have been tied to this contract in such a way that,

if they approach any person outside, they break that contract, and I ask that honourable members do not give their names to anyone likely to divulge them. I have been careful about that myself and I ask that that not happen. I will also give members the name of this woman so that they can go to the hospital to see her. Indeed, it is important that someone from the Government does that. The letter further states:

This statement is even more appalling when one considers that my line of questioning, which was merely to ascertain how much of the money I was expected to pay was actually related to our flight and insurance costs, was considered by the Director to be insulting. Moreover, I was unable to ask any further questions as he aborted the telephonee call and hung up. Do you really believe that kind of response is synonymous with what is optimistically called a professional agency dealing with professional people? I do not, and furthermore I have brought this quite intolerable behaviour to the attention of the Royal College of Nursing, of which I am a member.

That is both the RANF and the British union, of which this person is a member. This woman has now resigned from her position. Yesterday morning she received a phone call from MCC and was read a letter of reply over the phone. It said she must pay MCC $2 000 or it will sue her. In spite of her predicament, this organisation with great feeling and heart as described in the document given to me, has taken this action. I have advised her this morning to again go to the RANF.

I understand that she will be doing that. She is about to purchase her own ticket home because she cannot obtain the money that has been deducted from her wage since she arrived because she is caught under clauses 4.1.1 and 4.1.2, which state that all reductions referred to shall be non-refundable to the nurse should she fail to complete the agreement for whatever reasons or should the nurse not undertake the holiday as arranged by the MCC agency.

Her original return ticket, which was taken from her when she arrived, is held in Melbourne. The Director has refused to make an appointment for a phone call for further discussion with her and she has been told he is not available to speak to her. I am now going to make an offer to members of the Government, other than the Minister, who are interested in the problems these working women are having with this organisation, to meet with the nurses and discuss the situation.

I do not wish to be present at this meeting and I suggest that the Minister is not present, either. The Minister has no trade union background and does not understand the problems ordinary men and women face when dealing with these sorts of organisations and he has clearly decided to side with the MCC. It is imperative that some members opposite, particularly female members, and also the Hon. Mr Roberts, because he has a very strong background in the trade union movement and in assisting people, meet with these women, discuss the problems and then advise the Minister on an appropriate course of action.

I really think it should be the Minister's duty to ensure that people working in his system are properly looked after. I cannot and will not accept that the Minister has no responsibility of ensuring an equitable situation between these women and the people to whom they are contracted. Just because we pay them award wages does not mean that we can opt out of the responsibility of ensuring that they are recruited properly and treated properly after their recruitment. It seems to me that so far the Minister's attitude is: 'That's their problem.' I am going to forward all the material in this case to the Trades and Labor Council and ask that the whole situation be investigated. Perhaps that may help to ensure that these working women obtain a just solution to the problems they are facing.

I also understand, according to the woman, that the RANF has told or is about to tell, the British nurses union to issue warnings to nurses to seek advice, either from the union or from a lawyer, before signing contracts from this organisation or any other in the future. I think, if they have not taken that action, it should be done. I understand that that indication has been given to the nurses. I support the Bill.

The Hon. R.I. LUCAS: I support the Bill, and I certainly support the comments of the Hon. Mr Cameron on the topic that he addressed. Ms President, I am delighted to see that the procedure established under the previous President with respect to debate on the Supply Bill has been continued by you in this Chamber under your presidency. I refer to one brief matter in the debate. I do not seek an immediate response from the Attorney-General but ask that he provide a written response after he has had an opportunity to discuss the matter with Treasury officers.

I seek information from the Treasurer and the Treasury in relation to the effects of wage rises on the State budget. I am interested in obtaining from the Treasurer and Treasury an estimated net effect on the budget of a 1 per cent increase in wage costs generally through the public sector and through the workforce. As members are aware, a 1 per cent increase in wage costs increases expenditure through an increase in salaries, and so on. However, it also increases State revenue through the flow-on effect on tax collections such as pay-roll tax, and so on. Will the Attorney provide to me at some later stage the estimated net effect on the budget for each 1 per cent increase in wage costs in South Australia? I raise this matter because I noted with interest recently that the Federal Treasury had provided an estimate that, for every 1 per cent increase in wage costs federally—contrary to certainly my superficial view originally—rather than having a net increase in expenditure for the Commonwealth Government and Commonwealth departments, it affects revenue collections to a greater degree than it does expenditure, and there is a net increase in revenue because of the effect it has on income tax collections.

So, that is the reason for the question that I direct to the Attorney-General. Will he seek a reply from the Treasurer? As I indicated, in seeking a response I do not intend holding up the passage of this Bill. I realise that it will only be an estimate and cannot be an exact calculation. However, I would be interested in the best guess of the State Treasury as to the estimated net effect on the budget for each 1 per cent increase in wage costs in South Australia. I support the Bill.

The Hon. C.M. HILL: I support this Bill which seeks to issue and apply, for Government purposes, a further $650 million to the Government so that the Public Service can continue its operations. It is part of the democratic process that Governments cannot just pluck money out of the air and pay their public servants at their own whim; they have to put the proposition to Parliament and Parliament must approve the application of such funds so that the Government can pay public servants and departments can meet all other expenses. The $650 million, one can quite properly assume, will be spread right across the board and permeate into all departments so that they can in fact be in funds.

The expenditure that I query is that of the Department of Housing and Construction. Only a few days ago in the Address in Reply debate, I brought to the Government's notice once again an inefficiency that exists in the Department of Housing and Construction relating to the management and control of the Public Works Committee. In that debate I explained that, for some time, I had been pointing out that there was a gross inefficiency—and I might say

that it is only one of several—in that department in the way in which it manages the financial affairs of the Public Works Committee. As an example, I pointed out that, whenever the Public Works Committee travelled into the country as part of its normal duties and had to stay overnight in the country, the method of recompense to the members of that committee was completely outdated and inefficient.

Briefly, it is a situation in which each member of the committee—and that means at least seven members of Parliament and other officers who must travel with the committee—must pay their own separate costs of overnight stays. This department subsequently processes each particular claim for compensation from each individual involved, and separate cheques are forwarded from the department after that processing procedure has been completed. Of course, the efficient way to do it would be simply for the Chairman of the committee to approve a gross or aggregate sum of the expenses of the committee members and officers and the department could subsequently make one remittance available to the motel or hotel concerned.

In other words, instead of about 10 or 12 separate procedures there should be only one. I am truly amazed that year after year I raise this matter but nothing happens. In the recent debate on the Address in Reply, the Leader of the Government in this Council, when replying, referred to some of the points that I had made but he did not touch on that point: he simply bypassed it. In that debate, I was kind to the Minister of Health because I referred to the fact that he had given an undertaking earlier this year on the floor of this Chamber that he would take up this matter with the Minister of Housing and Construction, and in the recent debate I assumed that that had occurred.

As the Leader of the Government in this place did not refer to that matter, I am not content to let the issue lie there, so in this forum and in this debate I raise it again and have no alternative but to sheet the matter home somewhat to the Minister of Health. I refer him to the debate in this Chamber on 5 March this year when, speaking on the Public Works Standing Committee Act Amendment Bill, I said:

> The only other point that I raise in regard to the Bill is that, as a member of the committee, I have observed some practices which I believe are very inefficient. I shall not go into these matters in great detail in this place and at this stage I will give just one example of this. When the Public Works Committee goes into the country and has to stay overnight, members of the committee and the staff who attend the committee hearings must pay individually for their own motel expenses. Those accounts are then handed to Public Works Committee staff, who in turn forward the accounts to the Department of Housing and Construction, which arranges for individual reimbursement of expenses incurred. Seven members of Parliament can be involved with the Public Works Committee and then there might be three or four members of *Hansard* staff, as well as the Secretary of the committee. About 12 people can be involved in this process, and in today's world a system involving individual payments being made later to, say, 12 people with reimbursements having to be processed by a Government department which makes the necessary calculations for each claim is simply outdated.

Later in the debate, I asked the Minister of Health, representing the Minister of Housing and Construction in this place, to give me an undertaking that some kind of investigation in the Department of Housing and Construction would be undertaken at the top level, more particularly at the Director-General level, with a view to bringing all inefficient and outmoded practices up to date. I said that that was not too much to ask. Later, in that debate, Mr Cornwall as Minister of Health said, *inter alia*:

> It seems an anachronism that each member of the committee, when the committee visits areas such as Mount Gambier or other areas of the State, pays accounts individually, so there would be seven members of the committee and, of course, their support staff (anything up to a dozen people) booking out of a motel at about the same time in the morning. It would appear to be far more efficient if the motel was to send the account directly to the Secretary of the committee and the Minister arranged some way of checking the account and then authorising payment.

Later, the same Minister said:

> I give the Hon. Mr Hill a personal undertaking that this matter will be drawn to the attention of the Minister of Public Works. I believe that those matters of administration that would lead to better efficiency and perhaps in the long run economy could be instituted.

The Hon. G.L. Bruce: Who pays for *Hansard*? Do they pay for their own and get reimbursement?

The Hon. C.M. HILL: To the best of my knowledge, the same ridiculous situation applies.

The Hon. J.R. Cornwall: They would have arrangements similar to those of the drivers.

The Hon. C.M. HILL: No, I believe that the drivers are in a separate category because their method of remuneration and reward is different. The point is not whether *Hansard* is included.

The Hon. G.L. Bruce: I am just wondering about the machinery.

The Hon. C.M. HILL: Let me finish the quotations.

The Hon. J.R. Cornwall: I have too much to do, Murray. I have two huge portfolios.

The Hon. C.M. HILL: I know that the Minister has two huge portfolios. I know also that the Minister has a huge halo over his head. Nevertheless, that does not excuse the Minister from doing his job and from honouring undertakings that he makes in this Council. Finally, I quote again from the Hon. Dr Cornwall in the final stages of this debate, when he stated:

> . . . I did specifically address the matters raised earlier by the Hon. Mr Hill concerning the current inefficiencies involved in the payment of travelling costs and expenses of members of the Public Works Standing Committee and support staff. I even specifically referred to the fact that it got down to individual costs for individual meals in individual motels and the subsequent drawing of individual cheques. On occasion this has been known to cause a little friction amongst members of the committee. Therefore, the sooner this is put to rights, the better. I have given a personal undertaking that I will discuss the matter with my colleague the Minister of Housing and Construction.

The Hon. G.L. Bruce: Tell me, has the committee raised the matter?

The Hon. C.M. HILL: The committee discusses it quite often, but nothing happens, and I will tell the honourable member why—because the Minister in charge of the Public Works Standing Committee does not know what to do. He is incapable of correcting the situation. That is why in the Address in Reply debate I said that the Minister ought not to hold the portfolio. If a member of the Labor Party in this Parliament cannot put right a problem like this, why is he holding down a responsible ministerial office?

The Hon. G.L. Bruce: That wasn't the question: my question was, 'Has the committee raised the matter?'

The Hon. C.M. HILL: The committee has raised the matter from time to time, but nothing happens. It is unbelievable. I answer the Hon. Mr Bruce specifically and say that he just would not believe what goes on in this committee in regard to this and other matters. Nevertheless, it does happen and I will not rest until there is some efficiency and less wastage of public money. While those public servants are processing the seven, eight, nine or 10 separate accounts—

The Hon. R.I. Lucas: They cannot process other forms.

The Hon. C.M. HILL: That is right. They cannot do other work. They should be processing only one account. It is as simple as that. But the Minister cannot seem to do anything about it. I will not speak too strongly on the situation of the Minister of Health, but I plead with him: if he has overlooked to honour his undertaking to approach

the Minister of Housing and Construction, will he please do it now? If, on the other hand, he did honour his undertaking and explained to the Hon. Terry Hemmings, the Minister of Housing and Construction, the position that I raised in this Council and if he did his best at that stage to honour his undertaking (which I have cited), will he please now have another try? The position ought to be corrected. I do not see why this Parliament should approve $650 million under this Bill before us so that the Government can pass out money to the various departments of the Public Service unless that money (which is the people's money, after all), is spent wisely, properly and without waste and inefficiency. I ask the Minister of Health once again—

The Hon. J.R. Cornwall: Write to me.

The Hon. C.M. HILL: I do not have to write to the Minister. I am standing here—

The Hon. J.R. Cornwall: Mark the letter 'Personal and Confidential to the Minister'—

The Hon. C.M. HILL: No, I am not going to write. If I was going to write to the honourable member—

The Hon. J.R. Cornwall: I've got so many important matters in my head.

The Hon. C.M. HILL: I know it is thick and hard to get much in there. But I do not have to write. I am standing on the floor of this Parliament, to which I have been elected to raise matters such as this. The Minister is here in front of me in this Chamber and I am asking him to take up the matter again, if he has not already done so, and to try, as he said in his reply, to correct this matter, so that this most unfortunate and inefficient system can be changed for the betterment of everyone.

The Hon. T.G. ROBERTS: I support the motion. I would like to add perhaps a more serious note to the debate in terms of contributions to it. One of the major problems that faces Australia and South Australia in particular is the decline in the manufacturing sector and the number of jobs that are available and coming onstream to people in the manufacturing industries. It is not to say that South Australia has been knocked about any more than the rest of the nation, but I draw to the attention of members and the public at large that, unless the trend is reversed, we will wind up in very serious difficulties, as I indicated in my Address in Reply contribution. I have some information and facts to support my argument, and also a copy of an editorial from the United Farmers and Stockowners journal about some of the problems associated with the decline in national receipts in terms of returns on our primary produce and what effect that has on our manufacturing industries. I seek leave to have the figures inserted in *Hansard* without my reading them.

Leave granted.

Employment Changes 1980-81 to 1983-84 in Australia's Manufacturing Industries

	Australia
Food beverages and tobacco	– 14 803 (– 8.1)
Textiles	– 5 061 (–13.7)
Clothing and footwear	– 7 318 (– 9.3)
Wood products and furniture	– 9 002 (–11.4)
Paper products, printing and publishing	– 2 688 (– 2.6)
Chemical, petroleum and coal products	– 3 241 (– 5.4)
Non-metallic mineral products	– 7 668 (–16.7)
Basic metal products	– 19 242 (–19.9)
Fabricated metal products	– 17 463 (–15.4)
Transport equipment	– 11 887 (– 9.3)
Other machinery and equipment	– 34 666 (–21.5)
Miscellaneous manufacturing	– 5 852 (– 9.1)
Total manufacturing	– 138 891 (–12.1)

This table is compiled from data provided by the Australian Bureau of Statistics from their census of manufacturing establishments (catalogue No. 820 3.0). The data for 1983-84 is preliminary but according to ABS sources is unlikely to change significantly.

Employment includes working proprietors and employees on payroll for all establishments with four or more persons employed. The employment is the average over a complete financial year.

Manufacturing and Metals Engineering Employment 1972-83

		Metals—Engineering %	All Other Manufacturing %
1972-82	South Korea	+229	+86.5
1972-79	Singapore	+112	+14.8
1974-81	Malaysia	+110	+66.6
1972-82	Hong Kong	+ 90	+33.5
1972-82	Romania	+ 84	+30.4
1972-83	Yugoslavia	+ 72	+50.1
1972-83	Mexico	+ 55	+62.9
1972-82	Bulgaria	+ 19	+24.8
1972-83	Finland	+ 17	– 3.8
1974-81	India	+ 15.4	+15.1
1972-83	Czechoslovakia	+ 6.5	+ 0.06
1972-83	Poland	+ 6.5	– 3
1972-83	Ireland	+ 5	–15.7
1972-83	USA	– 0.003	– 6.2
1972-82	Canada	– 3.1	– 4
1972-83	Norway	– 6.6	– 9.9
1972-82	Denmark	– 7.3	–18.3
1973-83	Austria	– 7.4	–12.7
1972-82	Sweden	– 8.5	–19.2
1974-82	France	– 12.2	–13.7
1974-82	Germany	– 12.2	–12
1972-83	Hungary	– 12.2	–12.6
1973-82	Belgium	– 15.1	–35.9
1972-83	AUSTRALIA	– 17.1	–11.8
1976-83	Spain	– 17.5	–22.1
1975-83	Netherlands	– 18.9	–10.6
1972-83	Britain	– 26	–26.2

This table has been compiled from the International Labour Office Year Book of Labour Statistics and from Australian Bureau of Statistics publications. International statistics are often difficult to compare because of different methods and classifications used in various countries and hence should be used with some caution. In addition, this table tends to compare employment levels in a high employment period (1972-74) with employment levels during a period of recession (1982-83).

The Hon. T.G. ROBERTS: I shall refer to some figures to support the hypothesis that I have just put before the Council and a conclusion. In August 1982, 113 600 persons were employed in manufacturing in this State: that is, 20.7 per cent of all South Australians in employment. In February 1986, 109 300 persons were employed in the manufacturing sector: that is, 18.5 per cent of all South Australians in employment. Therefore, in 3½ years the percentage fell from 20.7 per cent to 18.5 per cent.

The average employment in manufacturing in South Australia in 1981-82 was 104 874, and the corresponding figure in 1984-85 was 92 261. Therefore, in three years, average employment in manufacturing in this State declined by 12 per cent. The number of manufacturing establishments in South Australia in 1981-82 was 2 219, and the corresponding figure in 1984-85 was 2 194. Therefore, in three years the number had declined by 1.1 per cent.

Fixed capital expenditure in South Australian manufacturing industry was $283 million in 1981-82. In 1984-85, it was $261 million. However, the figure is expressed in dollar values for that year. Taking inflation into account, in 1984-85 fixed capital expenditure in South Australian manufacturing industry was $164 million. Therefore, in three years the figures had declined by a massive 42 per cent. Even though new investment tends to lead to higher productivity and fewer jobs, from those figures it appears that, unless manufacturing industry support and investment picks up, both nationally and in this State, we will encounter some difficulties.

The farmers and stockowners editorial is very critical of Australia's ability to match the subsidies of the Europeans and Americans. In relation to the figures I have just given,

the Europeans have the ability to subsidise via the manufacturing base. The American ability to subsidise their primary producers is declining as they are almost in the same position as we are and have no new capital expenditure in the manufacturing industry. So they are providing finance out of heavier deficits.

At some point in time Australia's captains of industry have to acknowledge that for Australia to trade equitably internationally that capital expenditure has to take place in identified manufacturing areas. If we are to look to a growing economy and a place in the sun for a few more people than is presently the position then that investment has to take place, if it is not already too late. Members can see, from the figures I have cited, that there has been a steady decline in the Australian manufacturing industry between 1981 and the present in terms of the number of people employed, the number of establishments and the fixed capital expenditure. South Australia has shared in the decline that has been going on nationally, although it has come out of it a little better than have some other States.

South Australian manufacturing has declined at a rate equal to that of Australia as a whole in terms of the number of people employed, but the rate of decline in terms of the number of establishments and fixed capital expenditure has not been as great in this State as in Australia as a whole. It is not a completely black picture for South Australia in relative terms, but overall, nationally it is.

The PRESIDENT: Order! This is a debate on the Supply Bill and should relate to the expenditure of Government moneys.

The Hon. T.G. ROBERTS: It relates to receipts.

The PRESIDENT: As long as there can be some relevance to the Bill before us, which deals with the supply of money to the Government.

The Hon. Diana Laidlaw: I wasn't allowed to continue last year when I wanted to talk about ID cards.

The PRESIDENT: Order! I was not President at that stage. The Bill before us relates to the supply of money to the Government of the State.

The Hon. T.G. ROBERTS: What I am projecting is that, if the manufacturing sector does not have increased capital investment in the next financial year, the receipts and revenue to be distributed in forms of a revenue base will decline unless immediate action is taken to address that decline.

The PRESIDENT: I accept that relevance.

The Hon. T.G. ROBERTS: If investment does not take place, there will be an irreversible loss of skilled labour to this State and nation. The relevance of this to the debate is the fact that total receipts will decline and that the share of State and national revenue, back to total cash receipts for distribution via the budget revenues, will obviously be much less.

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

PLANNING ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 19 August. Page 428.)

The Hon. DIANA LAIDLAW: This Bill seeks to amend the Planning Act in three respects: first, to repeal section 56 (1) *(a)*; secondly, to repeal section 56 (1) *(b)* and replace this subsection with what is described as a more explicit provision; and, thirdly, to redraft the transitional sections of the Act by relocating them into a schedule in accordance with current drafting practice.

The Opposition supports the redrafting provisions but is opposed, on a number of grounds, to the amendments in relation to section 56. Specifically with respect to section 56 (1) *(a)*, I do not intend today to detail all of the Opposition's objections, for this is the fifth occasion within two years that the ramifications arising from the repeal of existing use rights in non-conforming zones have been debated in this Chamber. However, the fact that the Government persists with this measure, arrogantly disregarding the persistent concerns expressed in this Chamber and the other place and by a diverse range of organisations, compels me to outline some of the ramifications that we accuse the Government of heeding insufficiently—indeed ignoring.

The Government argues that section 56 (1) *(a)* is irrelevant because the Planning Act of 1982 does not control land use but merely changes of land use. The Government maintains that existing uses are protected by the very nature or intention of the legislation, and that section 56 (1) *(a)* was written into the Act in 1982 out of an excess of caution. However, this argument conveniently ignores an underlying concern that repeal would deny the fundamental and longstanding right of an owner to retain the option to improve a property developed in what subsequently is deemed to be a non-conforming use. In fact, most properties deemed today to be of non-conforming use were in existence well before the current zoning regulations and/or the purchase of neighbouring properties by their present owners. Therefore, repeal would take away longstanding established rights.

That action, coupled with the Government's new limited interpretation of existing use rights, would create uncertainty in the minds of existing users of land. In the case of small and large enterprises and, in many instances, residential premises there would be uncertainty whether improvement and development could be undertaken to meet current needs. Such improvements or developments may involve construction of new buildings, the alteration or conversion of existing ones, the building of a security fence or construction of a loading bay. The uncertainty would be extreme where the use is now stipulated as prohibited, and only approval by a council with the concurrence of the Planning Commission would enable even minor work to proceed.

Furthermore, as the Hon. Ian Gilfillan highlighted when speaking on a similar Bill last year, there would be no right of appeal should either the council or the commission refuse to give approval. There could, however, be a right of appeal if an objector were to be dissatisfied with the council or commission decision to approve.

Examples of developments that might not be approved in future if section 56 (1) *(a)* were repealed have been referred to at length previously by Opposition and Democrat members. So, I shall resist the temptation to outline those again this afternoon. However, my temptation to do so stems from the assertion by a Government member in the other place that sufficient safeguards are built into the Planning Act to allow a local government authority to consider future extensions of existing uses in non-conforming zones. I believe the opposite to be the case and refer to an amendment passed early last year to section 47 *(a)* which I understand, following the repeal of section 56 (1) *(a)*, would in effect require a planning authority to reject any application for extension of use on a non-conforming property because the application would automatically be seen or interpreted as being at serious variance with the provisions of the development plan.

Further, another amendment passed in April last year to section 53, repealing the provision which required leave to

be granted by the Planning Appeal Tribunal for the continuation of third party appeals, now allows a situation in which third party appeals can be instituted merely to delay reasonable development applications. I also wish to take issue with those who assert that the retention of section 56 (1) *(a)* would permit owners of non-conforming use properties to expand rashly, regardless of the views of surrounding residents, businesses or their respective councils. That assertion is quite untrue. Existing use rights provide a property owner with the right to develop existing activities, subject to conditions required by a council (at least this was the case until suspension of section 56 (1) *(a)* about 18 months ago).

While councils have not had the right in such instances to deny consent to extend existing activities, they have had and have exercised the right to impose conditions to ameliorate perceived adverse effects and to accommodate objections. This interpretation of existing use rights has been upheld for decades by case law. Nevertheless, the Government is now seeking to confine the interpretation of existing use rights to the maintenance of existing activities on land as opposed to controlled development of existing activities. The Government's limited interpretation of existing use rights and the repeal of section 56 are significant actions which have the capacity to inflate the value of a residential property adjoining a non-conforming use property and to deflate the value of a non-conforming use property.

This concern was drawn to my attention yet again just last week by the SAJC which is concerned that the repeal of section 56 (1) *(a)* will result in considerable pressure being placed on stables owned by trainers within the metropolitan area neighbouring racecourses at Cheltenham and Morphettville. They are particularly concerned about any ultimate rejection of section 56 (1) *(a)* compared to the present suspension of section 56 (1) *(a)*.

Honourable members will be aware of other situations where commercial or industrial properties, for instance, have been maintained or purchased in a non-conforming use zone on the basis that the property can be developed in the future without changing the use of that property. Also, I have instances of purchase where the price paid reflected the potential capacity of that commercial or industrial property while the property itself has been valued subsequently for land tax and other purposes on potential and not actual use.

All these facts reflect that existing use rights have long been interpreted by owners and neighbours, councils and valuers—including the courts—as permitting controlled extension of existing activities, irrespective of any current or subsequent zoning regulations which may apply. The Government is now seeking to cancel these rights for all time, to insist that all applications for extension of non-conforming activities are submitted for approval, and to provide councils and other planning authorities with the capacity to deny approval or consent.

Beyond the specific concerns, some of which I have outlined briefly, in relation to any repeal of section 56 (1) *(a)*, there are organisations and legal representatives who have made contact with the Opposition stating that they believe that the Bill as drafted is unclear; that it will create further confusion in an area which is widely acknowledged as being complex; and that the passage of the amendments will create a paradise for future litigation that will be the joy of lawyers but few others within the community.

I suggest that if lawyers working in this field acknowledge that they find the amendments difficult to read, I wonder how the Minister or the Government expect lay people, property owners and elected members of councils to understand them and interpret them justly and consistently, as should ideally be the case.

For all those reasons, plus the fact that a substantial number and diverse range of community groups were not paid the courtesy by the Government of consultation prior to this legislation being introduced, it is my intention to move an amendment to strike out and suspend the operation of clause 3 until May 1987. Also, on behalf of the Opposition, I will be moving a motion next week that clause 3, relating to section 56, be the subject of an inquiry by a select committee. I support the second reading.

The Hon. M.J. ELLIOTT secured the adjournment of the debate.

The Hon. DIANA LAIDLAW: Ms President, I draw your attention to the state of the Council.

A quorum having been formed:

RIVER TORRENS (LINEAR PARK) ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 August. Page 428.)

The Hon. L.H. DAVIS: I indicate the Opposition's support for this minor amendment, which extends the power of acquisition for land relating to the linear park development from 1986 through to 1989. The linear park proposal was something implemented by the Tonkin Government during its term of office from 1979 to 1982. We see before us a very attractive development of that linear park, the length of the Torrens River in the metropolitan area, and I indicate our total support for this proposition.

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

LOCAL GOVERNMENT FINANCE AUTHORITY 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.

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 amend the Local Government Finance Authority Act 1983. That Act established the Local Government Finance Authority of South Australia, which became operational in the early months of 1984. As members are aware, the main function of the authority is to act as a central finance agency for local councils in South Australia. It is a pleasure to be able to report to the Parliament that, after only 2½ years in operation, the authority can be judged to be an outstanding and unqualified success. The financial data speak for themselves:

- Total assets were $244 million at June 1985; they will be substantially higher again when the authority publishes its accounts for June 1986;
- A profit in 1984-85 of $850 000 and, I am advised, of over $2 million in 1985-86;

- The share of lending to councils in the State being made by the LGFA is running at around 90 per cent;
- Short-term deposits by councils with the authority have fluctuated with the seasonal swings in council finances, but have reached over $100 million.

It is important to note that these excellent financial results have been achieved without any drain on the budget of the State. On the contrary, the authority is making a contribution to the budget through the payment of guarantee fees on its borrowings.

More significantly, councils are benefiting substantially from the operations of the authority. They do so in two ways—through the competitive nature of the lending and investment services which the authority provides and through the distribution to them of a portion to its profits. A distribution of $100 000 was made in respect of the 1984-85 profit and I understand that a substantially higher figure is planned in respect of 1985-86.

South Australia is still the only State with an agency of this kind. Some other States have been working on the concept, but are yet to bring it to fruition. It is interesting to speculate as to why South Australia should be leading the field in this way. There are a number of reasons, but I suggest that the basic factor is the sound and cooperative nature of the relationships which exist in this State between the Government and the Public Service on the one hand and local government on the other. I pay tribute to the work put in by the members of the board of trustees of the authority, by its staff and all concerned which has led to these fine results.

The amendments contained in this Bill in no way alter the purposes of character of the authority. They are essentially by way of fine-tuning. The amendments fall into three categories, although there is some overlap.

First, amendments of a purely procedural kind designed to enable the authority to work more simply and efficiently. Clause 2, which deals with the affixing of the seal and clauses 3 and 9, dealing with the decision-making procedures of the board of the authority, are in this category. Clause 6 is also largely procedural. It provides for all the liabilities of the authority to be automatically guaranteed by the Treasurer. Previously only liabilities arising from borrowings were automatically guaranteed. This is in line with the Government Financing Authority Act 1982 and will simplify procedures where other liabilities arise.

Secondly, amendments which add to the powers of the authority to give it more operating flexibility. Clauses 4, 5 and 8 are in this category. It is in this area that possibly the most significant amendments are proposed. I would draw attention in particular to clause 4 which broadens the functions and extends the powers of the authority. Under section 21 (1) of the Act, as it stands, the authority may develop borrowing or investment programs for the benefit of local government or engage in such other activities relating to the finances of local government which may be approved by the Minister. Clause 4 of this Bill extends the potential range of functions by defining them in terms of what may be determined by the Minister to be in the interests of local government. In other words, the authority would be able to engage in activities which were not necessarily directly related to the finances of local government authorities but were in the interests of local government in a broader sense.

Clause 4 also extends the specific powers of the authority by enabling it to make loans to bodies other than councils, to purchase shares and to form companies. These powers are appropriate and sensible for what has become a large financial intermediary engaged in a diverse range of activity. However, to ensure that those particular powers are used in a manner consistent with overall Government policy and sound financial management, their exercise is subject to the approval of the Treasurer.

Thirdly, some of the amendments deal with unexpected deficiencies in the Act revealed by Crown Law advice. Clause 4, which I have already discussed, is partly in this category in that it was believed, when the legislation was originally drafted, that the authority had power to purchase shares and form companies as a result of the broad statement of its functions and powers. Specific advice from Crown Law cast doubt on this belief. Clause 7 is also in this category. Section 27 in the existing Act permits the Minister, in certain circumstances, to rearrange the finances of a council so that it is indebted to the LGFA rather than to an external lender. Crown Law advice cast doubt on whether the security over the general rates of a council enjoyed by the original lender carried over the authority if a rearrangement of this kind were made. Clause 7 removes this doubt.

The proposed amendments have been developed in close consultation with the authority and are fully agreed.

Clause 1 is formal.

Clause 2 amends section 4 of the principal Act by removing the requirement that the affixing of the common seal of the Local Government Finance Authority to a document be attested by four members of the board of trustees of the authority.

Clause 3 amends section 10 of the principal Act to provide that an absolute majority of members of the board may make a decision otherwise than at a meeting and that a record of any such decision must be kept.

Clause 4 amends section 21 of the principal Act. The amendment broadens the functions of the authority by allowing it to engage in any financial activities determined by the Minister to be in the interests of local government. The amendment also makes it clear that the authority has the following powers: to lend to any person with the approval of the Treasurer, to deal in shares, to appoint an attorney, to enter into contracts of indemnity and, with the approval of the Treasurer, to enter into partnerships and joint ventures and to form companies.

Clause 5 amends section 22 of the principal Act to allow the authority to apply any surplus of funds, with the approval of the Minister, for the benefit of any council or prescribed local government body or for any other local government purpose.

Clause 6 amends section 24 of the principal Act to ensure that all liabilities (not only borrowings) of the authority are guaranteed by the Treasurer. The amendment further provides that fees payable by the authority to the Treasurer in respect of guarantees may be set (as an alternative to being set by regulation) by agreement between the authority and the Treasurer.

Clause 7 inserts a new subsection in section 27 of the principal Act to provide that where a loan of a council or prescribed local government body is transferred to the authority any security over council rates is also transferred.

Clause 8 expands the scope of section 32 of the principal Act which allows the Treasurer to exempt the authority or instruments to which the authority is a party from a tax, duty or other impost. The amendment encompasses within the power, instruments to which a council or a prescribed local government body is a party and instruments which arise from or are connected with a transaction to which the authority, a council or a prescribed local government body is a party.

Clause 9 inserts a new section 32a. The section provides that a certificate, issued by the Chairman of the board (or where the Chairman is not available, the Deputy Chairman) certifying that a decision of the board was made in accordance with the Act, is proof of the matters certified in the absence of proof to the contrary.

The Hon. DIANA LAIDLAW secured the adjournment of the debate.

OIL REFINERY (HUNDRED OF NOARLUNGA) INDENTURE 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.

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

Leave granted.

Explanation of Bill

The original indenture between the Government and the Standard Vacuum Refining Company (Australia) Pty Ltd was signed in August 1958 and ratified by Parliament in October of that year. Whilst the legislation has served the test of time, and the refinery has continued to expand and to increase its supply of vital petroleum products to the State, some of the clauses in the indenture require updating to reflect changes in terminology over the years. Discussions with the two companies, Mobil Oil Australia and Esso Australia Limited, the joint owners of Petroleum Refineries (Australia) Limited, have resulted in agreement that it is appropriate that a number of changes be made to the Indenture to clarify the operation and intent of the earlier agreement. The agreed changes seek to:

(a) broaden the definition of feedstock to recognise that hydrocarbon materials other than crude oil are now processed through the refinery

(b) confirm that wharfage is not payable on feedstock delivered by road or rail to the refinery, such as Northern Territory crude oil

(c) replace references to wharfage charges with those now in use by the Department of Marine and Harbors

(d) clarify the rates which are applicable to imports of refined products at the Port Stanvac marine facilities, and to exports of certain unprocessed materials.

None of the proposed amendments alter the arrangements as originally agreed in the 1958 indenture, nor do they change the expected receipts of the State from wharfage charges. The amendments simply clarify the situation as agreed between the three parties, and have the full support of Mobil and Esso. Where appropriate, the proposed amendments are also included in the proposed changes to the Mobil Lubricating Oil Refinery (Indenture) Act 1976.

Clause 1 is formal. Clause 2 amends the various clauses of the Indenture. Paragraph *(a)* inserts a definition of 'feedstock' that refers to any petroleum substance used as feedstock in the manufacturing process, not being a finished product which is ready for marketing. Definitions of Esso and Mobil are provided, as subsequent amendments make it clear that the concessional wharfage rates provided in the Indenture apply only to Esso and Mobil. Paragraph *(b)* redrafts the inward wharfage provision so as to refer to wharfage payable on feedstock shipped into the fuels refinery, not crude oil as presently provided. Paragraph *(c)* brings the inward wharfage rate into line with the present concessional rate charged under the Indenture. New subclause (3) makes it clear that inward wharfage is not payable on feedstock brought into the refinery by land. Paragraph *(d)* inserts a new clause that makes it clear that the concessional rate of $1.6861 per kilolitre is the rate payable by Esso and Mobil for inward wharfage on refined petroleum products shipped into the fuels refinery. Paragraph *(e)* makes it clear that outward wharfage on crude oil or condensate shipped by Esso or Mobil from the refinery (i.e. exported without having gone through the refining process) is also payable at the concessional rate. Paragraph *(f)* inserts a new clause that provides that the concessional rate referred to in the various clauses of the Indenture is increased or decreased proportionately with any increases or decreases in the relevant harbors wharfage charges on bulk liquids.

The Hon. DIANA LAIDLAW secured the adjournment of the debate.

MOBIL LUBRICATING OIL REFINERY (INDENTURE) 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.

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

Leave granted.

Explanation of Bill

In July 1976, the Government and Mobil Oil Aust. Ltd entered into an indenture under which Mobil undertook to construct a lubricating oil refinery alongside the existing fuels refinery at Port Stanvac. The indenture was ratified by Parliament in December 1976. The construction of the lubricating oil refinery was important to the State, not only because of the beneficial impact on capital investment and employment, but also because it enhanced the significance of the fuels refinery as a part of the Australian petroleum refining industry.

The Port Stanvac oil refinery is relatively unsophisticated compared to the other petroleum refineries around Australia, in that it does not contain a cracking facility to enable the heavier fractions to be upgraded to premium products such as petrol and diesel. It is, nevertheless, an important part of the South Australian energy scene. With the closure of two Australian oil refineries during 1985 (BP's Westernport and Total's Sydney refineries), Adelaide fuel refinery has been considered by many in the industry to be the next in line for closure. The Government has been active in ensuring that this does not occur, and that both the fuels refinery and lubricating oil refinery remain economically viable and contribute to the State's long-term energy supply.

Mobil, as the major partner in the Port Stanvac refinery, and the sole owner of the lubricating oil refinery, has been involved in discussions with the Government throughout 1985 to identify measures which improve the technical and economic viability of the refinery complex. In response to significant changes occurring in the petroleum industry, Mobil has undertaken a number of actions to improve the

long-term viability of Port Stanvac and increase its contribution to energy supply in the State. New processing facilities are being installed to enable the refinery to process greater quantities of condensate, including Cooper Basin condensate, and to produce significantly more gasoline. Instrumentation is being upgraded and catalytic reforming operations have been modified. The new marketing agreement between Mobil and BP will also improve the attractiveness of processing at Port Stanvac.

The above actions taken by Mobil are a clear demonstration of its commitment to the long-term operation of the Port Stanvac refinery complex. In the context of this demonstration, the Government was pleased to enter into negotiations with Mobil to examine the possible continuation of certain incentives which had been agreed in the 1976 indenture, but which were due to expire in February 1986. Whereas the fuels refinery is designed to cater primarily for the local market, the lube oil refinery has a significant export component. In the present uncertain climate relating to crude oil prices, markets and exchange rates, it is to be expected that the lube oil refinery will be subject to more uncertainties than the fuels refinery. Nevertheless, the Government remains convinced that both refineries have a sound, long-term future in the State.

As an incentive to Mobil to process increasing quantities of crude oil through the refineries, the 1976 indenture established a maximum wharfage payment by Mobil of $476 000 per annum for the 10 years from 1976. If Mobil continued to import similar quantities of feedstock in 1986 as it did in 1985, its payment of wharfage to the State would have increased to approximately $1.9 million per annum. Such an increase would have placed in jeopardy the continued operation of the refinery and acted against the actions of Mobil, and the interest of the State, to ensure the long-term viability of the refinery.

Accordingly, the Government and Mobil entered into positive and constructive discussions to consider ways in which the wharfage payable could be increased in a way which—

- shared the potential receipts between Mobil and the State
- assisted the long-term viability of the refinery
- provided an inducement to process greater quantities of feedstock through Adelaide refinery
- recognised that the refinery operators were responsible for constructing the marine facilities and for their ongoing maintenance and operation
- supported Mobil's ongoing capital expenditure at the refineries.

The proposed amendments to the indenture reflect the agreement of Mobil and the State. The proposed wharfage arrangements are estimated to provide total wharfage payments to the State of $10 million, over the next 10 years, and to reduce Mobil's wharfage payments by about $9 million (relative to what it would have paid if it continued feedstock imports at present levels and the existing wharfage charges applied).

It should be noted that under the proposed arrangements, the marginal wharfage rate is zero, i.e., there is considerable inducement to Mobil to process feedstock through Port Stanvac rather than import refined products. Other minor amendments to the indenture are proposed, and have been agreed with Mobil, to bring the Act in line with changes in Department of Marine and Harbors regulations and to make clearer certain definitions and expressions.

Clause 1 is formal. Clause 2 deems the amending Act to have come into operation on 1 February 1986, the date when the wharfage concessions provided by the indenture came to an end. Clause 3, amends the various clauses of the indenture. Paragraph *(a)* brings the definitions relating to feedstock into line with the new definitions proposed by the Oil Refinery (Hundred of Noarlunga) Indenture Act Amendment Bill 1986. A definition of the 'consumer price index' is provided, as certain wharfage limits will be escalated in accordance with the index. Paragraph *(d)* substitutes the inward wharfage concessional rate with the present day concessional rate charged to Mobil. Paragraph *(e)* inserts the correct present day reference to the schedule in the Harbors Act regulations that sets out wharfage rates for bulk liquids. Paragraph *(f)* inserts a reference to 1 February, which is the 'anniversary' referred to in the indenture. Paragraphs *(g)* and *(h)* are consequential amendments. Paragraph *(i)* inserts a reference to 'the prescribed amount' in relation to the annual maximum amount payable by Mobil by way of wharfage. Paragraph *(j)* specifies the prescribed amount for the 10-year period that has just expired, and for each of the next ensuing 10 years. The amounts fixed in respect of all the years after this present year will be escalated in proportion to escalations in the consumer price index between June 1985 and the June of the last year but one preceding the particular year. Paragraph *(k)* makes a consequential amendment.

The Hon. DIANA LAIDLAW secured the adjournment of the debate.

ADJOURNMENT

At 4.48 p.m. the Council adjourned until Tuesday 26 August at 2.15 p.m.