LEGISLATIVE COUNCIL

Thursday 13 April 1989

The Council met at 11 a.m.

ELECTION OF PRESIDENT

The CLERK: I have to inform the Council that I have received the following letter from the Hon. Anne Levy:

Dear Mr Mertin,

I hereby resign as President of the Legislative Council. My reasons for doing so are that I expect to be sworn in as a Minister of the Crown in the near future.

Yours sincerely.

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

That the Hon. G.L. Bruce be President of the Council.

The Hon. M.B. CAMERON (Leader of the Opposition): I second the motion.

The Hon. G.L. BRUCE: I submit myself to the will of the Council.

There being no other nomination, the Hon. G.L. Bruce was declared elected and was escorted to the President's Chair by the mover and the seconder of the motion.

The PRESIDENT (Hon. G.L. Bruce): As my first duty, I would like to make a small speech and thank members for their confidence in electing me to the position of President of this Council. I assure members that I will do all in my power to observe the Standing Orders of the Council, its traditions and the impartiality which goes with this position. I feel confident that, with the help of the dedicated and efficient staff, the goodwill of members and the tradition of the position, the procedures of the Council will operate in a reasonable manner so that each member will feel that he has been given every consideration in his contribution to the Council.

It is my belief that, whilst the President can have a strong input into the workings of the Council, it is eventually the responsibility of each and every member as to how he conducts himself or herself in this Chamber. I believe that while you are members of your various Parties—be that the Government or the Opposition—the main consideration in this Chamber should be that you are also a member of the Parliament of South Australia serving the people of South Australia in the Legislative Council of their Parliament. I look forward to a long and happy association with members in my new role as President and I thank you very much.

Honourable members: Hear, hear!

The PRESIDENT: I wish to inform the Council that His Excellency the Governor's Deputy has appointed 2.45 p.m. today as the time at which he will receive the Council to notify him of my election as President.

The President read prayers.

SELECT COMMITTEE ON EFFECTIVENESS AND EFFICIENCY OF OPERATIONS OF THE SOUTH AUSTRALIAN TIMBER CORPORATION

The Hon. T.G. ROBERTS: I move:

That the select committee have leave to sit during the sittings of the Council until its business is completed.

Motion carried.

BOTANIC GARDENS ACT

Adjourned debate on motion of Hon. Barbara Wiese:

That the resolution contained in Message No. 86 from the House of Assembly be agreed to.

(Continued from 16 March. Page 2487.)

The Hon. J.C. IRWIN: It is a pleasure to address you, Mr President, and I will do all that I can to make your position an easy one to fulfil. This proposal is to provide for the disposal of portion of section 509, hundred of Onkaparinga, which is surplus to the needs of the Mount Lofty Botanic Gardens. The Opposition supports the motion, which really tidies up some shabby Cabinet and ministerial work that took place in 1984.

I rather suspect that the parcel of land in respect of which we are giving the Government the opportunity to sell off has already been occupied by the purchasers, probably for the past four years, because it is clear from the documentation that came before Parliament in a previous session that it was intended that not only the house at Kooroora but also the two parcels of land A and B associated with section 529 in the hundred of Onkaparinga had been intended as part of the sale. In fact, on 19 February 1985 the Minister indicated that on 2 April 1984 Cabinet had approved the disposal of the parcels of land marked A and B on the map and that disposal of the house marked C would complete the rationalisation of the boundary. It was a clear intention that the lot was to go as one.

In his explanation of the motion, the Minister has drawn attention to the fact that the two dockets became separated during their passage through the Minister's office in 1984 and 1985, and it was that problem, and no clear indication of what should have been by the Minister, his staff, or the Cabinet (and I especially point to the Cabinet), that resulted in the error being picked up. We have a situation that there is nothing of great moment in the motion before the Council. It fulfils a promise and an indication expressed by the Opposition earlier that it would not stand in the way of this rationalisation and, in the hope that the current residents will continue to occupy their area without difficulty, we support the motion.

It is necessary that this matter lie on the table, as it has now, for the required time. The measure has to lie on the table of the two Houses for 14 days before it can finally be passed through both Houses. I see no difficulty with the end result being as such. However, I note that my colleague in another place, the member for Davenport (the member for Fisher as he was then), when addressing this matter on 20 February 1985, indicated that the Opposition was prepared to accept the passage of the measure one day later, he said:

> I take the opportunity of supporting the motion and putting something to the Minister which needs to be considered when we look at the part of the Botanic Gardens comprising this house and land which is to be annexed off and sold—

it was obvious that the intention had been spelled out even though the documentation did not live up to expectations—

> as well as a neighbouring piece of land which adjoins that park—the old council quarry alongside the Crafers Primary School. There is no doubt that the old homestead serves little purpose for the Botanic Gardens and it is another worry for those who maintain our Botanic Gardens.

I am not aware whether that further parcel of land has been subsequently addressed by the Government, but there we have, from the practical experience of a person living in the area, a statement that suggests that rationalisation is still possible in that direction if necessary.

When discussing this matter in the Council on 28 March 1985, the Hon. Murray Hill drew to the attention of the Council the fact that a plan of the proposal had not been displayed on any board in this House. Indeed, it may well have been that, if the normal procedure in respect of such parcels of land had been followed and a plan displayed, the error that we are now correcting would have been detected then.

If we are to address similar circumstances in future, a plan directly associated with the consideration of such matters in this Council should accompany the legislation or motion. Indeed, it was necessary to make representations to the Minister's office subsequent to the moving of this motion in the other place before the plan, now displayed, was provided. We can, at our peril, cut corners in such issues and I believe that it behoves all those in ministerial departments to ensure that they fulfil all the obligations in respect of the presentation of a parcel to Parliament, not only concerning those that seem to be most important at the time.

However, I draw to the attention of members the fact that Parliament is here to give due and proper consideration to as much information as is necessary to fulfil its obligations in respect of the motion before the House, and without the plan that could not have been the case. The Opposition supports the motion.

Motion carried.

SUMMARY OFFENCES ACT AMENDMENT BILL

(Second reading debate adjourned on 12 April).
(Continued from page 2936.)

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

INDUSTRIAL CONCILIATION AND ARBITRATION ACT AMENDMENT BILL

In Committee.
(Continued from 11 April. Page 2860.)

Clause 31 passed.
Clause 32, schedule and title passed.
Bill read a third time and passed.

EQUAL OPPORTUNITY ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.
(Continued from 11 April. Page 2835.)

The Hon. K.T. GRIFFIN: Like my colleague, the Hon. Jamie Irwin, I congratulate you, Mr President, on your appointment, and indicate my preparedness to give support to the Chair in its responsibilities in maintaining order in this Chamber.

I indicate that the Liberal Party will support the second reading of this Bill. I want to make a number of observations on its provisions and, as a preliminary, let me indicate to the Council a most serious criticism of the Attorney-General for the way in which he and the Government have handled this Bill.

It was introduced on 16 March 1989, just before Easter. It had not been the subject of consultation, except in 1984-85, when a committee of public servants was established to look at the concept of intellectual impairment as the basis for legislation to ensure that any discrimination in that area was outlawed. The Bill had not been the subject of consultation with persons and groups likely to be affected. Even in 1984-85, the area which was the subject of review by the committee was intellectual disability, and not any other area to which this Bill relates. I understand that the Government has had the Bill drafted for some time but has sat on it.

I suggest to the Council that a much more appropriate course of action in dealing with a Bill of this nature, which is complex and covers a wide range of areas, would have been to release it publicly for consultation, and then there ought to have been adequate consultation in the lead-up to the introduction of the Bill. Proper notice and consultation would have avoided the concerns which a number of people have expressed, both for and against the Bill. Many of the people to whom I sent the Bill first received it from me and had not received a copy from the Government. The Bill deals with a number of significant areas.

It was introduced into Parliament on 16 March at what was the last stage of this part of this session. At that stage there was speculation that perhaps the Government would even have an early election. In that context, one could suggest that, by introducing this and a range of other legislation, it was seeking to clear the decks.

I have had an interest in disability since 1980 when, as Attorney-General, I was given ministerial responsibility for the International Year of Disabled Persons. It should be remembered that I introduced the Handicapped Persons Equal Opportunity Act, which dealt with physical impairment. I was instrumental in adopting and implementing the recommendations of the late Sir Charles Bright's committee on the rights of persons with handicaps in relation to intellectual handicap.

The implementation of those recommendations took the form of the establishment of the Intellectually Disabled Services Council which, under the Liberal administration, was given a direct and primary responsibility for advocacy on behalf of intellectually disabled persons with a direct input to the Minister of Health. That was changed when the Hon. Dr Cornwall became the Minister. He treated it no differently from any other incorporated health unit responsible to the South Australian Health Commission. Therefore, its primary function of being an advocacy body for intellectually disabled people was subverted.

The Hon. Sir Charles Bright, in his extensive report on the law relating to the rights of persons with handicaps, focused on legal rights for those who suffered physical impairment and those who suffered intellectual handicap. He preferred not to have the responsibility for development of policy with any service-providing agency, such as Health or Community Welfare. He saw a need to take this issue out of the patronising area of the provision of services and out of the area of the departments which provided those services, although their role was particularly important. He saw that there was more likely to be an objective view taken with a focus on the higher level of legal rights if it went to a Minister such as the Attorney-General. I think that has a number of benefits.

In relation to physical handicap or impairment, Sir Charles Bright's Handicapped Persons Equal Opportunity Act was the model for the legislation which I introduced. He saw the need to provide protection from exploitation and discrimination for those who were physically impaired. I should like to think that that initiative, as a resultP¢ofhis report, has made a significant difference to the lifestyle and independence of physically impaired persons.

In 1981, as a result of the focus of the International Year of Disabled Persons, the community's awareness was heightened significantly about a wide range of disabilities. The focus was on ability rather than disability. We saw some significant achievements, particularly in relation to access and a better understanding by the community of disability and a greater recognition of ability.

In many respects that sort of momentum has tended to dissipate, and I am disappointed about that. We have seen a number of advocacy groups established, and they have become somewhat more vocal in their focus on disability than in the past. In that respect, I think self-advocacy is an excellent quality, not only with respect to physical impairment, but also intellectual disability.

In looking into the rights of persons with handicaps, Sir Charles Bright did consider in his second report the model of legislative action against discrimination for intellectually disabled persons. Also, he looked at an alternative model of a separate statutory body responsible to a Minister (such as the Attorney-General) having a prime responsibility for advocacy and support for intellectually disabled people. His committee concluded that the legislative form was, on the basis of American experience, less appropriate than the statutory body model. So, as a result the Tonkin Liberal Government accepted that recommendation and proceeded to establish that statutory body.

Although that body was established under the provisions of the Health Commission Act, it differed in many respects from the normal incorporated health unit. Its role was much broader. Its capacity to act independently was much more obvious, and it was accountable directly to the Minister of Health. That did not pick up the recommendation of the late Sir Charles Bright that the Attorney-General should have some responsibility for that statutory body. Notwithstanding that, the Attorney-General retained an overall responsibility which, in conjunction with the Minister of Health, ensured that this Intellectually Disabled Services Council would lift the profile of intellectual disability; the need in relation to the provisions of services and support; and also have a very significant educative role in the community. Part of the problem is that many people in the community have not had personal experience of intellectually or physically impaired people, nor have they had contact with people who have had such experience. Because of that lack of contact, there is a lack of familiarity with the abilities of people with those disabilities. Consequently, there is a lack of confidence in being able to relate to them.

The educative function of the Intellectually Disabled Services Council was to have been a high priority. Unfortunately, soon after its establishment the Liberals lost office and the whole emphasis of that council changed. There is still a very important educative role for the Government; in fact, under the 1984 Equal Opportunity Act, the Commissioner did have that responsibility. I will ask the Attorney-General some questions about that later in my speech in the hope that he can give some information about the way in which that role has been exercised.

In relation to intellectual impairment, one has to recognise that there are quite significant differences between the two areas of disability, and that there is a need to look at the way in which the law and the community deal with them. Only a few weeks ago we saw some publicity in relation to the Commonwealth Government's attitude towards agencies like Minda, and a real concern in the community that intellectually disabled people will be forced out into the community, notwithstanding their lack of ability to cope with that new experience, and notwithstanding the lack of support services for that purpose. So, one must be very careful when dealing with intellectual disabilities that one does not go from one extreme to another—there must be an appropriate balance.

There are different points of view as to the way in which the matter of discrimination should be handled in the legislative area. The New South Wales Anti-Discrimination Act contains a specific division which deals with intellectual disability. In some respects, it is different from the section in the New South Wales legislation which deals with physical impairment. This section properly recognises the distinctions between these two areas and their different needs although the principles are similar. The Victorian equal opportunity legislation provides for recognition of the need to deal legislatively with discrimination on the ground of intellectual disability. It is really a question of which model is to be followed.

The Liberal Party concludes that, in the light of the legislation before us and after consideration of the experiences in Victoria and New South Wales, it is appropriate to provide for a legislative basis to deal with discrimination on the ground of intellectual impairment. In doing that, one must recognise that there is still a very strong need for education and governmental support (both at Federal and State levels) for persons who are intellectually disabled and for those who support them, whether they be families, paid workers, friends or others. A real risk is that, by promoting a legislative scenario for dealing with intellectual impairment, the very great need for education and support will be neglected or at least subordinated to the legislative provisions.

The other area which I think needs to be recognised is that the expansion of the role of the Commissioner for Equal Opportunity has obvious resource implications. A letter I received yesterday from one of the agencies involved raises this issue. In its letter, the South Australian Council of Social Services says:

> Our legal advice had no difficulty with the legislation but did express a concern that the Commissioner was already fairly busy dealing with complaints in regard to failures of employers to abide by the legislation and was concerned that extending the legislation would also result in extending the number of complaints before the Commissioner. Some thought would be needed in relation to the extra resources that may be needed by the commission to effectively deal with the expected increase in complaints as people test the legislation in its early days.

So, that issue must be addressed. I am anxious to receive from the Attorney-General at the appropriate stage an indication of the resource implications of this legislation when enacted.

The criticism which the Liberal Opposition makes with respect to this Bill is of its timing—a period of four weeks within which to consult and consider the Bill compared with four years which has been available to the Government. People in the community must recognise that Governments have a wide range of resources and staff to deal with their legislative programs and the development and implementation of their policies while Oppositions have very little—in fact, I would say it is negligible.

When dealing with this Bill in the context of the extensive legislative program which the Government has brought in in the last stages of this session, one has to get the difficulties in proper context. By way of comment, it can be noted that from the early part of Febuary, when this session resumed, until the week or two before Easter there was not a heavy legislative program and, in fact, the Council did not sit in the evenings or, in some instances, for very long after Question Time. If this legislation had been brought in much earlier it would not have created the difficulties which it now presents. Last Friday I wrote to the Attorney-General

after discussing the matter with the Commissioner for Equal Opportunity on Thursday. My letter states:

> The Commissioner for Equal Opportunity may by now have informed you of the difficulty I have had in completing consultations on this Bill in view of the heavy legislative programs in which the Parliament is involved.
>
> In accordance with my usual practice I have forwarded the Bill to a wide range of groups and people who have an interest in the Bill. Many have not yet completed their considerations of it for a variety of reasons—time, the intevention of Easter, no prior consultation before introduction and the fact that some groups have no resources, are among the reasons advanced to me.
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> From my point of view it would have been desirable to make the Bill available to the Opposition well before its introduction as the Credit Unions Bill was and could have been achieved without the pressures of the present program.
>
> I will endeavour to have my consultation completed as early as I can. If it is possible to do so early next week I can then seek my Party's response to the Bill and proceed with the debate.
>
> It is desirable to deal with it if possible in this session but in view of the lateness of its introduction and the need for adequate consultation by the Opposition this may not be possible. However, the purpose of this letter is to alert you to that real possibility that I will not be in a position to deal with it next week, but if that were so I can assure you it will be ready at the commencement of the next session.

After seeing the Commissioner for Equal Opportunity last Thursday and writing this letter to the Attorney-General, the wheels of the Government began to move. I, along with the Australian Democrats and others, received a number of lettergrams, phone calls and letters from groups dealing with intellectual disability. I do not object to those groups and individuals lobbying—that is their right, and I hope that they take an interest in the legislation which is presented—but they have to be careful that they are not being used at fairly short notice for political purposes. What they do not seem to recognise is that the Government sat on this initiative for nearly four years and introduced it at short notice.

They also do not seem to realise that this Bill does not deal only with intellectual impairment, but with a range of other matters. It extends the Act to include voluntary workers as opposed to merely remunerated employees. It deals with discrimination by certain associations on the grounds of marital status or pregnancy, as well as sex, and it also deals with the expulsion of members. It requires authorities or bodies which confer authorisations or qualifications to practice a profession or carry on a trade or occupation to inform themselves properly on overseas authorisations or qualifications for applicants for positions so that they will not be guilty of discrimination on the ground of race.

The Bill seeks to provide that an employer, before dismissing a woman on the grounds of her pregnancy within the present provisions of the Act, must satisfy himself or herself not only that no formal vacant positions exist for her but also that no other duties are available, regardless of whether they are attached to any single identifiable position.

It provides also that it will be unlawful for employer bodies and trade unions to discriminate on the basis of sexuality, that is, heterosexuality, homosexuality, bisexuality or transsexuality. It provides a new ground in relation to impairment, physical and intellectual, namely, that discrimination on the basis of physical or intellectual impairment will be established if the discriminator fails to provide special assistance or equipment required for the other person and the failure is unreasonable in the circumstances of the case.

The Bill provides also for a class of potential complainants to be widened, in effect, to allow for representative complaints to be lodged with the Commissioner. It provides that the Commissioner will be allowed to conduct inquiries of a general nature pursuant to a reference by the Equal Opportunity Tribunal, and after the Minister has approved the commission making an application to the Tribunal. It also provides 7½ pages of amendments in a schedule to amend the principal Act to ensure, so the second reading explanation states, that the language is gender neutral. The people who contacted me did not realise that the legislation is extensive and deals with a wide range of matters, not only those relating to intellectual impairment. With that sort of background. I reassure all those persons and groups representing the disabled that other members of the Opposition and I are conscientiously considering this Bill.

It is important to raise a number of matters with respect to the Bill, and some of these will be by way of comment, some by way of observation, some by putting a particular point of view and, in other respects, by raising questions. Before doing that, I point out that I did not find the second reading explanation particularly helpful in explaining the reasons for a number of amendments. It seems to me that, with a Bill that makes quite significant changes to some areas of the law, it would have been helpful for me, other members of Parliament and those in the community who have an interest in the Bill if the second reading explanation had been extensive and dealt with the issues in detail, to explain the reasons for the changes and not just identify some but all of the changes.

My first comment concerns clause 4, which includes a number of definitions. The provision extends to judges and magistrates as well as to voluntary workers. In the principal Act, judges and magistrates are not regarded as employees, and there is a good reason for that. They are not employees; they are not accountable to anyone other than Parliament. Judges may only be dismissed by a motion of both Houses of Parliament. Magistrates may be removed on the recommendation of the Chief Justice. They are deliberately independent of the Executive but accountable ultimately to Parliament. What concerns me about the inclusion of judges and magistrates in the description of 'employee' is that not only does it create the perception that they are employees, at least for the purposes of this legislation, but that they and the affairs of their courts may be the subject of intrusion by inspectors, agencies, the Commissioner or the Tribunal.

If members cast their mind back to the consideration in this place of the Workers Compensation and Rehabilitation Act, they will recall that we discussed the issue of judges and magistrates being included as employees for the purposes of that legislation. I made the point then that, by including them in that legislation, it would open the way for inspectors and other agencies of the executive arm of government to require judges and magistrates to answer questions, provide information and be subject to another jurisdiction. That is wrong in principle. It is wrong that, for the purposes of this legislation, judges and magistrates are employees because it opens Pandora's box in relation to their accountability. It also means that others such as the Commissioner and the Equal Opportunity Tribunal will be able to make orders directing judges and magistrates to do or not to do particular things. That is wrong.

The clause also includes voluntary workers as employees. This will extend to all organisations which use volunteers in addition to paid employees. I have sent a copy of the Bill to agencies such as St John Ambulance, Country Fire Service, Meals on Wheels, Resthaven, a whole range of organisations covered by the Volunteers Centre, and to that centre, as well. They have difficulties. My colleague the Hon. Diana Laidlaw has sent the Bill to a number of other agencies and the response that we have received from them is that they are pretty tight on resources and need time to consider it.

The Hon. Diana Laidlaw: None of them minded deferral.

The Hon. K.T. GRIFFIN: Yes, so it could be considered adequately. In her discussion with me, the Commissioner said that the Bill was designed to apply to those organisations which treat their volunteers poorly. Others have suggested to me that it deals with work experience students. There is really no clarification in the second reading explanation of that objective and, therefore, it needs to be clarified as to the context in which this is intended to apply. At the moment, voluntary workers are included, so the question of sexual harassment is dealt with adequately.

However, by extending it to voluntary workers, it may extend to churches and other charitable organisations in circumstances which might be quite inappropriate for them, particularly if one considers what is, I suppose, the most controversial area, that is, in relation to homosexuality and lesbianism. In some instances when a person is living in a *de facto* relationship a particular organisation may have some fairly strong views on persons with those characteristics working voluntarily in that organisation. At this stage, it is not appropriate to just make a final decision on the question of voluntary workers being included as employees. I raise the issue and I hope that, in reply, the Attorney-General will amplify on the extent to which it is intended that this definition will apply. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

LISTENING DEVICES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 April. Page 2867.)

The Hon. K.T. GRIFFIN: The Opposition supports the second reading. This Bill was introduced in another place and what I would say was probably adequately covered there. However, I have not had access to the *Hansard* report of that debate. I will repeat some observations on the Bill which I made to my Party and which may well have been reflected in the debate in another place. This is an important Bill because the Listening Devices Act has been around for a long time and has enabled the State police to use listening devices in their fight against crime. I have heard no criticism of the way in which the police have used their powers in respect of listening devices.

This Bill seeks to tighten up the legislation relating to police use of listening devices—the need for a warrant and a high level of accountability. If it were only the police involved, I would suggest that there is no need to make any amendments to the Bill. However, with the advent of the National Crime Authority—and quite rightly so—that opens up a much wider scenario than exists at present. Of course, with the NCA, by virtue of the amendments made at the Federal and State level to telecommunications interception legislation, there is a much tighter regime in place to monitor the use of telecommunications interception devices pursuant to warrants issued and, at a much higher level of accountability by police and the National Crime Authority. Therefore, in the context of the NCA now being given authority to use listening devices, it is probably appropriate for there to be some consistency between State and Federal legislation with respect to all eavesdropping or interception of conversations.

Therefore, the powers of the State police will be limited, and the NCA will be given access to these listening devices in exactly the same way as members of the State Police Force. The procedure to be established is for a warrant to be issued by a Supreme Court judge before a police officer, a member of the NCA or officer engaged by the authority can use a listening device in South Australia. The Commissioner of Police is to provide a report to the Minister on various aspects of issue of a warrant for the use of a listening device, in addition to providing to the Minister a copy of the warrant, or instrument of revocation, and a written report of the use made of information obtained from the use of listening devices pursuant to the warrant and the communication of that information to persons other than members of the Police Force. The Minister may also require a report on any other matters which may be specified by the responsible Minister. The Minister is also to report to the Parliament annually in respect of statistical data about the number of warrants issued and the length of those warrants.

As I said earlier, the procedures laid down in the Bill are generally consistent with the telephone interception legislation at Federal and State levels. In view of that, I see no reason not to support the Bill. Several matters were raised in another place which require attention. I notice that one of those matters has been addressed in new section 6 which relates to warrants authorising the use of listening devices. An application for such a warrant can be made by a member of the staff of the NCA who is a member of the Australian Federal Police or a State Police Force. I made the point—through the honourable member handling this issue in another place—that this does not extend to a member of the Police Force of a territory. I suspect that there are members of territory Police Forces who, if not already, could be seconded to the NCA.

In that context, it would be appropriate to include them in the authorisation in proposed section 6. Proposed section 6 *(b)* provides for information to be given by the Commissioner of Police to the Minister, and that includes a copy of the warrant. The warrant will obviously identify the person and the criminal conduct upon which the warrant is based. It may contain other information with respect to that investigation. The point which was made in the other place (and, because the *Hansard* proof is not available, I have not been able to ascertain the response) related to the liability of a Minister's communicating that information to a person who is not authorised to have access to it. One can think of ministerial officers and staff within departments who are not authorised. The Crown Prosectutor and the Crown Law Office are entitled to have information, but it is of concern that some other staff may gain access to that information. The access may be obtained inadvertently, or it may be deliberate.

From my experience in dealing with Police Commissioners, in relation to a matter of this nature, a report which contained that sort of information would be handed by the Police Commissioner to the Minister and not passed through the ordinary Public Service docket channels. Will the Attorney-General explain the procedure by which he sees that information going from the Commissioner to the Minister both under the telecommunications interception legislation and this Bill, and will he say what circulation is likely to be given to that information? Also, what sort of security is to be attached to it in the police area and in the ministerial area?

The only other area which again was raised in the other place was the appropriate judicial status required for issuing a warrant. I believe that, under the Federal telecommunications interception legislation, in relation to those interceptions a warrant is issued by a judge of the Federal Court and probably also the Supreme Court. In view of the existing Act, in relation to the Listening Devices Act, I would not be unduly concerned if that responsibility were exercised

by a District Court judge. It may be that, for the moment, a Supreme Court judge is regarded as being the appropriate judicial officer. Perhaps this matter could be kept under review, particularly if difficulties are encountered when obtaining warrants at short notice. There are only 14 Supreme Court judges and there may be a need for granting telephone warrants. The principle of the Bill is supported by the Opposition. We have only those few matters to address.

Bill read a second time.

Clauses 1 to 4 passed.

Clause 5—'Substitution of section 6.'

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

Page 2, line 4—After 'State' insert 'or Territory of the Commonwealth'.

This amendment seeks to include police officers of a Territory within the purview of those who may be able to apply for a warrant. This amendment makes this Bill consistent in scope with the provisions of the Federal Telecommunications Interception Act where 'State' is defined to include a Territory. That picks up one of the points made by the Hon. Mr Griffin.

The Hon. K.T. GRIFFIN: I support the amendment.

Amendment carried.

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

Page 3, lines 30 and 31—Strike out 'revocation' twice occurrinng and substitute, in each case, 'cancellation'.

This amendment is formal.

Amendment carried.

The Hon. K.T. GRIFFIN: Will the Attorney-General address the queries I raised during the second reading debate?

The Hon. C.J. SUMNER: The Government felt that Supreme Court judges were appropriate. Obviously, at some time in the future, if Parliament considers that District Court judges should be involved, then that matter can be examined, but it seems to me that there is some merit in limiting the number of judges who can exercise these warrants to the Supreme Court, as that would facilitate consistency in the operation of the legislation. We would not be prepared to accede to the suggestion that the provisions of the Act be extended to enable District Court judges to issue the warrants.

The honourable member then raised another question about the responsibility of a Minister. I am not quite sure that I follow the point. Ministers receive information on a whole range of very confidential matters. Further, Ministers are bound, for instance, within Executive Council and Cabinet by the oath of secrecy. I do not quite know what point the honourable member made. I suppose that, if, for instance, a Minister told his ministerial officer what was going on and that ministerial officer then tipped off someone who was being investigated, that would be a serious matter. I understand that it might have happened on one occasion, but I will not go into that at this stage.

That matter would need to be dealt with by the Minister's exercising his judgment. As I said, that would now happen. Ministers receive information on many sensitive matters and, obviously, the Minister must use his discretion as to whom he trusts with that information. If there were to be breaches of security, it would be the Minister who would have to take responsibility in the normal way for that breach of security, through parliamentary accountability.

The Hon. I. GILFILLAN: Mr Chairman, before I make a couple of observations about the matter being discussed, I would like, as this is the first time I have spoken before you officially in your present capacity, to wish you well, both in your role as President and as Chairman of Committees.

Unfortunately, there has not been adequate time for us to thoroughly assess the implications of this legislation, but its intention and justification are overwhelmingly positive. I did listen to part of the contribution of the Hon. Trevor Griffin, who raised some concerns as to how far delicate and sensitive information could possibly spread. I share that concern. I am interested to hear any opinions that he has in relation to the answers given by the Attorney. I doubt whether we will now be in a position finally to draft this legislation in such a form that it can best do its job and yet protect the unreasonable dissemination of dangerous and damaging information. Because of the high urgency of putting this matter into effect. I wonder if we could have an undertaking that, once this is in operation, the Government will review it and hold ongoing discussions about its operation, with a view to further amending it at some other time.

On behalf of the Democrats, I strongly express our concern that privacy and secrecy should surround material that is harvested from listening devices, and I echo the concern expressed by the Hon. Trevor Griffin about what could happen to that material. Other than that, I only ask whether the Hon. Trevor Griffin feels that his concerns have been allayed by the responses from the Attorney. Perhaps the Attorney could put on record that he recognises that this legislation could be further amended during the next session.

The Hon. C.J. SUMNER: This is a phoney issue. This legislation has been in operation for 17 years and this issue has never been a problem. All this does is add some additional protections for the individual by ensuring that the police cannot use an interception device on their own initiative, but must get a warrant from a Supreme Court judge to do it. With respect to the reporting requirements, and the like, they will remain the same as those which have existed in previous legislation.

The Hon. I. Gilfillan: Have Ministers received these written reports?

The Hon. C.J. SUMNER: Yes, they have.

The Hon. I. Gilfillan: So, this Bill will mean that National Crime Authority material will come to the Minister as well?

The Hon. C.J. SUMNER: Yes.

The Hon. I. Gilfillan: That is new.

The Hon. C.J. SUMNER: It is new, but it is still a matter of interception. Obviously, there must be some accountability for the use of the warrants. The Bill is designed to increase accountability, first by ensuring that a warrant must be issued and, secondly, by ensuring that there is a proper reporting procedure to the people who have ministerial responsibility for the legislation and the operations of the law. I must confess that, although the Minister could always seek further information, the reports are generally and have hitherto been very brief. They indicate how many times they have been used and, in very broad terms, they indicate the sort of offences for which they have been used. Obviously, however, a Minister would have the capacity to get further information if he required it, and so he ought to have. There must be accountability, but to then suggest that this legislation should impose on a Minister an obligation not to reveal the information to anyone, one then has to work out how the reporting procedure would operate in practice.

Would it would mean that the Minister's secretary could not open the correspondence? Would the Minister have to carry the correspondence in his pocket for the rest of his life and then burn it? It would make public administration impossible. We have to trust people to a certain extent to handle these matters with discretion. Obviously we have to

trust Ministers to handle them with discretion, and they have been handled with discretion to date. Public servants are governed by certain restrictions regarding their obligations to serve the Government of the day under the Government Management and Employment Act. If release of the information was such as to pervert the course of justice, the criminal law may be involved.

I do not see any additional need for protection. How would it be done in practical terms? If the police have to communicate information to the Minister, what does he do with it? Does he burn it or carry it in his pocket for the rest of his life? Most Ministers' secretaries open confidential material, because Ministers trust public servants. In practical terms, it has not caused any problems so far. There is additional protection in the Bill. There is now the obligation to report to Parliament on the operation. Rather than detract from civil liberties, the Bill enhances them in significant ways. To suggest that we should add to the protections regarding unlawful communication, including the Minister, is going too far and is likely to make the operations of the Government impracticable. We have to trust people to do the right thing sometimes.

The Hon. K.T. GRIFFIN: That is not the issue. To some extent, this issue goes back to the Telecommunications Interception Act, in which there is a requirement for a copy of the warrant to be given to the Minister—the Minister responsible for the NCA—and maybe a State Minister as well. Under the Listening Devices Act there is no requirement for the Commissioner to give to the Minister details of persons or activities which are to be the subject of the use of a listening device. That is the difference between the Act as it now is and this Bill.

I would have been comfortable with leaving the responsibility for the issue of the warrant with the judge, because there is a measure of control there, and for the names and activities not to be reported by the Commissioner to the responsible Minister. I do not believe that anyone would have any problem with the fact that a warrant had been issued and the other statistical data. It was the highly sensitive information in the warrant identifying individuals which raised some worry in my mind about security.

It is all very well to say that we trust our secretaries or public servants. But what happens to the files after they have been received by the Minister? Do they go into a safe? The police keep all their information in a highly secure place. Many people do not have the same sensitivity as the police to the need for security.

The Hon. C.J. Sumner interjecting:

The PRESIDENT: Order! The Hon. Mr Griffin has the call on the Bill.

The Hon. K.T. GRIFFIN: I am trying to confine myself to the principles of the Bill. The Attorney-General is beginning to take it as a personal issue. It is not. It is a sensible, sensitive issue. I want to identify what happens to the information. Surely one is entitled to ask that. I am not suggesting that in any respect any Minister of this or any future Government will treat this matter in other than a very sensitive and secure way. That is all it is. I do not think anyone needs to be sensitive on a personal basis, because there is nothing personal in this at all. We are talking about a Bill which places obligations on Ministers and staff. All I want to do is to clarify what will happen.

The Hon. C.J. SUMNER: What will happen is provided for in the Bill, which will be similar to what happens at the present time. There seems to be an increasing tendency in this Parliament to detract from ministerial responsibility and decide that Ministers ought not to receive information from—

The Hon. K.T. Griffin: Not at all.

The Hon. C.J. SUMNER: You were proposing that the Minister ought not to receive the information.

The Hon. K.T. Griffin: I said that I would be comfortable with that.

The Hon. C.J. SUMNER: What is the difference between being comfortable with something and proposing it? The honourable member said that he would be comfortable with the fact that the Minister should not receive information about the person against whom the warrant was issued or about the subject matter of the warrant. That would clearly detract from the Minister's capacity to report to Parliament on the matter.

We have tried to introduce protections for the individual which are not in the existing legislation. A Minister who is responsible for a piece of legislation and for its operation is surely entitled to information that is requested by him of the people involved, whether law enforcement agencies or otherwise. Surely the Attorney-General is entitled to information of this kind, if he requests it, to ensure that no breaches of the law might be being perpetrated by the officers concerned. I find it a little odd to suggest otherwise. The principles of ministerial responsibility are important. The Bill provides levels of protection for individuals. The first is that a warrant has to be issued by a Supreme Court judge and the second is that the police have to communicate to the Minister the circumstances of the warrant and the reasons for it. They are protections for the individual. They are meant not to detract from the individual's rights, but to enhance them by ensuring judicial oversight of the issue of a warrant and by ensuring ministerial responsibility for the operation of the legislation.

Clause as amended passed.

Remaining clauses (6 to 8) and title passed.

Bill read a third time and passed.

STATUTES AMENDMENT (CRIMINAL SITTINGS) BILL

Adjourned debate on second reading.

(Continued from 11 April. Page 2863.)

The Hon. J.C. BURDETT: Mr President, I would like to crave your indulgence briefly in congratulating you on your elevation to this position. You certainly have my assurance that I will cooperate with you in any way I can.

I support the second reading of this Bill. As with a number of other Bills that have come in the past few days, it has come in very short notice, and this has made the consultation procedure difficult. The Bill seeks to abolish the concept of criminal sittings, to simplify administrative procedures following committal for trial or sentence by a magistrate to a district court or the Supreme Court and repeals the requirement to publish the criminal sittings list in the *Government Gazette.*

The proposals in relation to the abolition of the concept of criminal sittings take their origin from a committee established by the Chief Justice which considered this matter and recommended the abolition of formal criminal sessions which presently result in some peaks and troughs in the workload of court staff with activity building towards arraignment day and falling off until preparations for the next arraignments begin once more. Presently, criminal sittings are organised on a calendar monthly basis but there is no continuing good reason for that. The criminal lists ought to be on a continuing basis, and I see no difficulty with this provision. The Attorney-General has made avail-

able the report of the Chief Justice's committee and the Bill is clearly based on that.

With respect to the administrative procedures following committal for trial or sentence by a magistrate, it appears that considerable administrative work must be undertaken by magistrates' clerks much of which is no longer of any practical use. It is estimated that if the amendments to the law are passed, some 680 hours a year will be saved for magistrates' clerks' time. There appears to be no difficulty with that suggestion.

With respect to the requirement to publish the criminal sittings lists in the *Government Gazette* (which occurs on a monthly basis), the proposition is to repeal this and to publish a cause list in the newspaper on the day of trial. I have some concern about this proposition. It may be that no prominence will be given to the committal for trial of a particular accused person, but it may nevertheless be important to have some information on the public file other than the cause list in the *Advertiser* to identify who has actually been committed for trial and on what charges.

My proposal, in the form of an amendment which has been placed on file, is for the publication in the *Gazette* on a monthly basis of those who are committed for trial and the charges upon which they have been committed. This proposal retains publication of names for public information. While a monthly list is abolished by the Bill, this will retain the requirement to publish names on a monthly basis for public information. For these reasons, I support the second reading.

Bill read a second time.

In Committee.

Clauses 1 to 8 passed.

Clause 9—'Committal of defendant for trial or sentence.'

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

Page 2, line 23—Leave out 'section and and insert 'sections'.

Page 3, after line 16—Insert as follows:

Publication of committal

156. The Registrar must, as soon as practicable after the end of each month, cause to be published in the *Gazette* a list of the names of all persons committed for trial or sentence during that month and the offences for which they were committed.

As I said in my second reading explanation, this Bill takes away the monthly trial list which exists at present and provides for a continuous list of persons who are committed for trial on criminal offences. I support that, but I have expressed concern that the only publication of the names of persons committed on criminal charges will be the daily cause list in the *Advertiser*. I suggest that it is necessary for the public record and the information of the public that the names of persons committed for trial be published in the *Gazette*.

My first amendment is formal. My second amendment requires that these names be published as a matter of information without having any bearing whatsoever on the administration of the courts or the conduct of the list. As a matter of information, on a monthly basis, a list of persons committed for trial and the charges on which they have been committed should be published.

The Hon. C.J. SUMNER: The Government does not object to this amendment subject to the qualification that I have not had a chance to discuss the matter with the court authorities. I will accept the amendment for the moment, but if the courts raise any objections I may have to recommit it before the Bill is read a third time.

Amendments carried, clause as amended passed.

Clause 10 and title passed.

Committee's report adopted.

CHILDREN'S PROTECTION AND YOUNG OFFENDERS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 April. Page 2862.)

The Hon. K.T. GRIFFIN: The Opposition supports the second reading of this Bill which, to a very large extent, arises out of a considerable foul-up of the new criminal law (sentencing) legislation. Previously, when the Children's Court imposed a fine on a young offender, if the fine was not paid a warrant could be issued for the offender's detention under the provisions of the Justices Act. When passing the new sentencing package, the Government repealed the relevant provisions of the Justices Act, which not only applied to adult courts but also to the Children's Court, and specifically provided that the sentencing Act, in so far as enforcement of fines is concerned, did not apply to the Children's Court.

As a result, since 1 January this year when the new sentencing legislation came into operation, the Children's Court has not had the legal sanction to impose imprisonment or distress in default of fines imposed by the court. Orders made by the court and warrants issued and executed after 1 January 1989 are illegal, although the number of such orders is not clear. I ask the Attorney-General in reply to indicate the number of orders which have been executed without a lawful basis to do so.

This Bill will restore the powers of the Children's Court to enforce pecuniary orders made by it. In addition, it will allow costs to be awarded by the court against a young offender. It will also allow detention of young offenders in emergency situations in accommodation such as a police prison or police station, watch-house or lock-up approved by the Minister. It makes the operation of the Bill retrospective to 1 January 1989 except in relation to schedule 1, which deals with statute law revision amendments.

With respect to the detention of young offenders in emergency situations, I gather that this matter arose from the fact that earlier this year there was industrial disputation by workers at the South Australian Youth Training Centre. As a result, detainees could not be admitted to that centre, some having to be held in police cells. Technically, that was illegal, but the retrospective operation of the Bill will validate that detention.

The Children's Court will retain the power to issue a warrant for non-payment of a fine. In an adult court that power can be exercised by the clerk of the court, but in this Bill only the Children's Court can do it and not a clerk of that court. The maximum period which can be fixed for default in the payment of fines is to be three months in the Children's Court, which compares with six months for adult offenders.

The other aspect of the Bill which is different from the law relating to enforcement of fines in an adult court is that a power is not to be given to the Children's Court to issue a warrant for the seizure of land. When the Attorney replies I would like to know why that is excluded. Not many children own land, but some will, and it may be appropriate to allow the Children's Court to issue a warrant for the seizure of such land in certain circumstances.

The retrospective provision in the Bill gives me some concern. However, I can see that there is a need for it so, reluctantly, I will probably support that measure but that will largely depend on the extent to which there have been any unlawful detentions so far under the new sentencing legislation. Therefore, in that context, I support the second reading.

The Hon. DIANA LAIDLAW: I also support the second reading and will speak only to the provision which allows for the detention of young offenders in emergency situations in accommodation such as a police prison, police station, watch-house or lock-up approved by the Minister. I trust that this situation arises from events in February of this year concerning an industrial dispute at SAYTC and SAYRAC, which arose in part because of a young offender who was violent in his behaviour towards staff and other residents at SAYTC. As is usual practice, the staff at SAYTC sought to take disciplinary action but, in this case, their recommendations were overruled by senior management of the Department for Community Welfare and the Minister.

That intervention from the top remains a sore point with resident staff at SAYTC. They felt powerless in that situation because they were concerned for their own safety and that of other youths at SAYTC. They took the unusual step of industrial action, deciding not to admit further youths to SAYTC or SAYRAC if they were sentenced by the Children's Court to one or other of those institutions. The bans were finally lifted but, as I indicated, the issue remains a point of considerable unhappiness and anger at SAYTC and SAYRAC. Before the bans were lifted, five youths and one girl were sentenced by the Children's Court but could not be admitted to SAYRAC or SAYTC. As a result, they were held at watch-houses. It would appear from the provisions in this Bill that that action was illegal because the Bill contains a retrospective clause to 1 January. In other words, the action taken to hold those youths at watch-houses will be validated by Parliament when this Bill passes.

In his reply or during the Committee stage, I ask the Attorney-General to give some indication of what is happening to a review announced on 8 March 1988 to streamline the operations of the South Australian Children's Court by focusing on areas of the Children's Protection and Young Offenders Act. I do not believe that any of the measures in this Bill arise from such a review. The review was prompted in part by comments by a magistrate (Mr Liddy), who expressed his own anger and frustration and that of the police, prosecutors, legal practitioners and other magistrates about the provisions of the Children's Protection and Young Offenders Act and the operations of the Children's Court. That review was launched with considerable fanfare by the Attorney-General but it seems to have been forgotten, so I seek his advice on what is happening in that regard.

The Hon. C.J. SUMNER (Attorney-General): I note the honourable members' remarks and seek leave to conclude later.

Leave granted; debate adjourned.

TRUSTEE ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 11 April. Page 2864.)

The Hon. K.T. GRIFFIN: The Opposition supports this Bill. In this session we have already passed the Trustee Companies Bill, which regulates the operations of all trustee companies in South Australia. Under that legislation, Parliament approved three other companies conducting trustee business in South Australia, namely, ANZ Executors and Trustee Company Limited, National Mutual Trustees Limited and Perpetual Trustees Australia Limited.

These three companies have common funds, as do the other trustee companies already carrying on business. The common funds of the existing trustee companies are authorised trustee investments under the Trustee Act. For the three companies that are now operating by virtue of the trustee companies legislation, their common funds will not be authorised trustee investments unless recognised in legislation. The common funds must meet certain criteria, including the fact that their investments are trustee investments. There is a protection for investors, beneficiaries and deceased estates and it is appropriate that the common funds of those three trustee companies to which I have referred should also be trustee investments. This Bill provides for that and, accordingly, I support the second reading.

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

STRATA TITLES ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 11 April. Page 2864.)

The Hon. K.T. GRIFFIN: The Opposition supports this Bill. It is a simple amendment which will recognise the right of bodies corporate which hold an interest in a strata corporation to also be presiding officers. Under the present Act they must be individuals, yet there are many strata corporations which are very largely controlled by bodies corporate. There are many commercial strata title corporations in the City of Adelaide alone which fall into that category. This Bill will enable a body corporate to appoint a person to represent it as presiding officer, secretary, or treasurer and, in fact, to perform those functions in which the body corporate member of the strata corporation should be able to participate by virtue of the fact that they hold a strata unit.

The Hon. Bruce Eastick, in another place, raised a concern in relation to this Bill. Again, I have not seen a copy of the *Hansard* report and, as a result, I cannot exactly identify that concern. Apparently, there was some suggestion that a relatively minor matter—raised by Lynch and Meyer, solicitors—may be the basis of an amendment to this Bill during its passage. I apologise that I do not have that detail with me. It may be appropriate to pursue that matter when the Bill goes into Committee. I suppose that if it is a new item it may well need to be the subject of an instruction to the Committee for the purpose of adding a new clause. I am very much in the hands of the Attorney-General with respect to that. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

[*Sitting suspended from 1 to 2.15 p.m.*]

QUESTIONS

MARINELAND

The Hon. M.B. CAMERON: Before I proceed, I wish to congratulate you, Mr President, on your elevation to that high office. I am sure that the words you expressed when you took the Chair will be carried out to the full, and we wish you luck.

The PRESIDENT: Thank you very much, Mr Cameron.

The Hon. M.B. CAMERON: I seek leave to make a brief explanation before asking the appropriate Minister, representing the Minister responsible for the West Beach Trust, a question about Marineland.

Leave granted.

The Hon. M.B. CAMERON: I refer to the current situation at Marineland which is owned by the West Beach Trust. The Government's decision not to proceed with the redevelopment of Marineland requires the dolphins, which have been Marineland's most popular attraction for 20 years, to be relocated. One option the Government is considering is to relocate the dolphins to the proposed Granite Island marine sanctuary. Details of this proposal were reported in the *Advertiser* of 12 October 1988.

That report indicated that the Greater Granite Island syndicate, which has proposed this development, had been approached by an organisation called Wildwatch to incorporate a dolphin lagoon within the project. The *Advertiser* report stated that the Wildwatch organisation was headed by 'US dolphin expert', Mr Richard O'Barry. It also referred to Mr O'Barry as the trainer of five 'flippers'. Of course, that reference is to a show called *Flipper* which involves dolphins.

However, the Opposition has received information that raises serious doubts about Mr O'Barry's credentials. For example, in November last year, the World Dolphin Foundation issued a statement saying that it in no way endorsed Mr O'Barry. The foundation's statement continued:

> He has no claim whatsoever to scientific or otherwise professional expertise regarding dolphins or captive animals.

The document described him as 'an impulsive, unpredictable, unenfranchised rabble rouser' and went on to describe an incident in which criminal charges were laid against him after he took two dolphins from a dolphin project in Florida because of his belief that they should not be held in captivity.

Further background to Mr O'Barry has come from HBJ Parks in Florida (an organisation similar to Seaworld) which states that Mr O'Barry has not been involved with dolphins for many years, while another organisation, Sea World of California, has advised that Mr O'Barry is not an authority on anything that has to do with dolphins and that it knows of nothing he has done with dolphins in the past 20 years 'except cut the nets holding some dolphins', an activity which resulted in criminal charges. This document further states that, in relation to Mr Richard O'Barry's *curriculum vitae*, several questions need to be asked. It states:

> 1. Is Richard O'Barry the same individual that was formerly known as Richard O'Feldman? The photograph of Mr O'Barry has been identified as Mr O'Feldman by several marine animal trainers/curators who were once employed to work in the *Flipper* TV series.
> 2. Why the name change? Why has he left the United States?
> 3. Several marine mammal biologists have confirmed that Mr O'Barry/O'Feldman was only a tourist in China and his visit (in relation to dolphins) was classified as 'unofficial'.

The document continues:

> 5. Mr O'Barry/O'Feldman does not indicate on his CV that he was 'Flipper's' trainer as he has previously claimed in the USA. He indicates crew and diver positions only.
> 6. Mr O'Barry/O'Feldman is not either well known nor recognised by any of the USA professional animal training associations as an authority on marine mammals.

Amongst those concerned for the future of the Marineland dolphins, there is a grave fear that, if Mr O'Barry has anything to do with their relocation to Granite Island, he will arrange for their release into the ocean, and to a certain death because they have no experience of living out of captivity.

In view of this information about Mr O'Barry's background, will the Government ensure that there is a full investigation of his credentials before it makes any decision to relocate Marineland dolphins to Granite Island? In asking that question, I seek leave to table the documents and, if necessary, authorise them to be published.

Leave granted.

The Hon. C.J. SUMNER: I do not know the details of the matter raised by the honourable member. The relocation of the West Beach dolphins is being handled by the Minister for Environment and Planning and I will refer the question to him for a reply.

Mr MALVASO

The Hon. K.T. GRIFFIN: My questions to the Attorney-General are:

1. Now that the High Court has granted Mr Malvaso leave to appeal in relation to the sentence imposed by the Court of Criminal Appeal, is the Attorney-General able to say what attitude the Crown proposes to take?
2. Will the Crown argue in support of the right of the Court of Criminal Appeal to impose a prison sentence rather than a suspended sentence when the Crown has not advanced argument on that point?
3. Will the Crown argue that the decision of the Court of Criminal Appeal in removing the suspension was correct and ought not be interfered with by the High Court?

The Hon. C.J. SUMNER: I have not considered the Crown's attitude to the appeal. The matter has to go before the High Court. In due course I will discuss the case with the Crown Prosecutor (Mr Rofe) and with the Solicitor-General (Mr Doyle). Mr Doyle has handled the matter in the higher courts and will handle the matter before the Full Court. In relation to this matter, from beginning to end I have acted on the advice of the appropriate Crown Law officers.

EARLY INTERVENTION PROGRAMS

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Education, a question about early intervention programs for children with special needs.

Leave granted.

The Hon. DIANA LAIDLAW: May I congratulate you, Mr President, on your elevation to that office. I apologise for not doing so when speaking earlier on various matters.

I have received a letter from the Chairperson of the Early Intervention Association of South Australia (Ms Ruth Anderson), who is particularly angry that all the associations represented by the Early Intervention Association of South Australia received such late advice of their funding for the year 1989, and also that funding for the various organisations in South Australia, including the Spastic Centre, Down's Syndrome Society, toy libraries, etc., was cut by 20 to 50 per cent. The Early Intervention Association learnt of changes in its funding arrangements last year. Previously, each organisation funded by the Federal Government received its moneys directly.

Last year a State committee was established, essentially to improve funding arrangements. Until the establishment of that State committee however, these organisations always received advice of their funding for the forthcoming calendar year in October or November of the previous year. However, this year, these organisations received advice of their funding for 1989 in late February. It is hardly surprising that they are infuriated, not only by that late advice of their funding for this financial year, but also to learn at such late notice, well into the calendar year, that their funding has been cut overall by 38 per cent, and by 20 to 50 per cent in the case of some organisations. They have

written in the strongest possible terms to Mr Dawkins, the Federal Minister for Employment, Education and Training. I understand that they have also sought the help of the State Minister of Education and Minister of Children's Services, to whom this new State committee is required to report.

Before I ask my questions of the Minister, I wish to highlight aspects of this correspondence, which notes that the rationale for the provision of early intervention programs for children with special needs are that, first, children are by nature malleable and their growth and development can be modified extensively in a variety of directions; secondly, the earlier one can effect a plausible intervention, the better; and thirdly, the manipulation of early experience will influence subsequent functioning of the child and, therefore, help that child with disabilities better within the family environment than in the community. The letter goes on to say:

> The effects of the cuts to funding to programs in South Australia include:
>
> Shelving of any plans to expand services to the client group, in particular to be able to assist children and families who are on waiting lists for service.
>
> Cutting of services offered to current clients because of inflationary increases which have been exacerbated by the cuts, so that in real terms the cuts are much greater than they appear on paper.

The letter goes on to say that the delay in notification of the funding levels also has had significant effects on organisations. One organisation terminated all staff contracts. Another organisation has had to ask volunteer staff not to participate in the program any longer, because they can no longer afford a coordinator. The letter goes on to express concern in a variety of forms.

Does the Minister of Education agree with the argument that early intervention programs are of vital importance to the well-being of children with special needs and disabilities (and their families), not only in the short term but more particularly in the longer term? If so, what action, if any, has the Minister of Education taken to support the efforts of the Early Intervention Association of South Australia to seek to have funding restored to previous levels?

Thirdly, is the Minister of Education satisfied that the new State Coordinating Committee, established last year and responsible to him, has acted in the best interests of the client group by providing such advice in late February this year on funding for this calendar year?

The Hon. BARBARA WIESE: I shall refer those questions to my colleague in another place and bring back replies.

PAPERS TABLED

The following papers were laid on the table:

By the Minister of Tourism (Hon. Barbara Wiese)—

Border Groundwaters Agreement Review Committee—Report, 1987-88.

Director-General of Education—Report, 1988.

By the Minister of Local Government (Hon. Barbara Wiese):

Local Government Superannuation Board—Report, 1987-88.

By the Minister of Tourism, on behalf of the Attorney-General (Hon. C. J. Sumner)—

Supreme Court Act 1935—Report of the Judges of the Supreme Court of South Australia, 1988. Ordered—That the Report be printed.

Roseworthy Agricultural College—Report, 1988.

PRESENTATION TO GOVERNOR

[*At 2.33 p.m., attended by a deputation of members, the President proceeded to Government House*].

On resuming at 2.51 p.m.:

The PRESIDENT: I have to report that, accompanied by honourable members, I proceeded to Government House and there presented myself as President to His Excellency the Governor's Deputy. I claimed for the Council the right of free access to and communication with His Excellency, and that the most favourable construction might be placed on all its proceedings. His Excellency was pleased to reply:

> I congratulate the honourable members of the Legislative Council on their choice of a President. I readily assure you of my confirmation of all the constitutional rights and privileges of the Legislative Council, the proceedings of which will always receive the most favourable consideration.

QUESTIONS RESUMED

HEALTH INSURANCE

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Education, a question about health insurance cover for visiting teachers.

Leave granted.

The Hon. ANNE LEVY: Last year the Federal Government amended the Medicare legislation, making Medicare coverage available only for residents of Australia. This legislation affects visiting teachers who are here on exchange, particularly language teachers who come here each year from France, Germany, Italy and Greece. They are employed by the Education Department to teach their language in high schools. In return, Australian teachers go to these countries to teach English to students there.

Under the new Federal legislation, teachers who arrived after 1 February this year are no longer covered by Medicare in this country. I have been contacted by some of these teachers who were not informed before they left their countries to come to Australia that they would not be covered by our health insurance. Thus they had no opportunity to take out health insurance in their own countries before coming here. Certainly, the Australian teachers who go to teach English in foreign countries are covered by the health insurance schemes of those countries, and they do not need to take out any private health insurance. The only advice that could be given to these visiting teachers was that they could take out private hospital insurance in Australia, but as there is no medical insurance available in this country they remain completely unprotected for medical treatment.

I have spoken to the Federal Minister of Health, who is considering amending the Federal legislation so that not only residents but people such as these teachers, who have employment in Australia, can be covered by the Medicare provisions of this country. However, any such legislation has not yet been passed. Meanwhile, these teachers who, as far as I know, have all been fit and well, may at any time require medical treatment and have no medical insurance whatsoever.

The Hon. L.H. Davis: This is the longest explanation I have heard; it is even longer than mine.

The PRESIDENT: Order!

The Hon. ANNE LEVY: No, it is not. Will the Minister of Education consider paying any necessary health expenses for these visiting teachers, to the same extent as Medicare would have paid, until the Federal legislation is amended to permit them to be covered by Medicare and, if necessary,

arrange to recover any amounts involved from Medicare should the Federal legislation be made retrospective to 1 February?

The Hon. BARBARA WIESE: I am happy to refer those questions to the Minister of Education and bring back a reply.

VISITING MEDICAL OFFICERS

The Hon. L.H. DAVIS: I seek leave to make an explanation before asking the Minister of Tourism, representing the Minister of Health, a question about visiting medical officers.

Leave granted.

The Hon. L.H. DAVIS: The ongoing dispute between visiting medical officers (VMOs) in public hospitals and the Health Commission appears to be heading towards a crisis. Last August and December the issue was raised of visiting medical officers' conditions and the Government's apparent reluctance to concede that these medical specialists are grossly underpaid for the highly sophisticated work that they do.

Visiting medical staff on week days receive $50 an hour all-inclusive for work they do at teaching hospitals, but these days that amount does not even cover the cost of maintaining rooms. In other words, it is a negative income for professionals who maintain expensive offices. It also has to pay the rent and for support staff, such as appointment secretaries. By contrast, visiting medical officers in New South Wales receive $125 an hour, and those in the ACT and Western Australia between $85 and $90 an hour. With that comparison it can be seen that visiting medical officers in South Australia hardly fit the description of 'robber barons', as a previous Minister of Health was so fond of labelling such specialists.

Visiting medical officers have been pressing for improvements in their conditions and remuneration for the period of the Bannon Government—since 1982-83. They have had virtually no wage increases since 1983, other than those which have been handed to all workers by way of national increases. They even had to fight every inch of the way for the 4 per cent second tier wage increase which they obtained somewhat belatedly last November.

Last December, this matter was raised in the media and the spectre of senior visiting hospital staff taking industrial action over deficiencies in their award was a possibility. At the time, Mr Ray Sayers, the Deputy Chairman of the Health Commission, rejected that possibility by saying that the commission 'once again considers that the amount of money has fallen behind'. He went on to say that the commission had been unable to begin negotiating until it received the formal claim from the VMO's body, the South Australian Salaried Medical Officer Association.

But what has happened since then? SASMOA was quoted in the press as recently as 28 March saying that the Health Commission had wasted no time in sending to Cabinet an offer to vary conditions for VMOs, despite that offer being rejected by the VMOs. This action prompted the SASMOA spokesman to query whether the Health Commission was in fact trying to provoke a crisis. Since then I understand a stalemate has been reached in negotiations between SASMOA and the commission, it is unlikely any agreement will be reached until the end of May and as a result a motion will be put to specialists at a special meeting of the Royal Adelaide Hospital's division of surgery on 29 April.

The Hon. Anne Levy: He's taking longer than I took.

The Hon. L.H. DAVIS: You have set such a wonderful example, I am just following it. This motion will say that in the event of the VMO agreement not being resolved by 30 June 1989 the following plan of action will be begun. This will include cessation of outpatients department consulting and all elective operations; surgeons will undertake to see patients outside of the hospital subject to satisfactory arrangements being agreed to by the Health Commission; and surgeons will continue to care for emergency patients at the RAH subject to the commission providing suitable conditions.

In summary, this will mean no outpatient consulting, no elective surgery by specialists, no in-hospital consultations and surgeons only continuing to see emergency patients at the Royal Adelaide Hospital. This is clearly very drastic action, but action these specialists have been forced to take following the uncompromising attitude of a Health Commission which appears bent on confrontation. My questions are:

1. What steps will the Minister take to resolve the current stalemate in talks between the Health Commission and SASMOA over improved conditions for visiting medical officers?

2. What steps will he personally take to ensure that a crisis situation is not reached after 30 June when Royal Adelaide Hospital staff will cease all but emergency consultation and surgical procedures at the hospital?

The Hon. BARBARA WIESE: I will refer those questions to my colleague and bring back a reply.

SCHOOL DENTAL SERVICE

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Health, a question about the school dental service.

Leave granted.

The Hon. J.C. BURDETT: I refer to a complaint, which I understand has recently been lodged with the head of the School Dental Service, by the parents of a nine-year-old Flagstaff Hill schoolboy who was recently injured in a sporting accident. The parents have complained quite strongly about the 'lack of service' they obtained from the School Dental Service's emergency after hours numbers.

On the night of Friday 17 March their son, Daniel, had a front adult tooth knocked out by a discus, and three other upper anterior teeth were loosened to such an extent that, I am told by a dentist, they would have dropped out overnight in his sleep. On telephoning the Aberfoyle Park Clinic, the parents were given two telephone numbers of dentists to contact about the injury. One was a local dentist, a Dr R. Czernezkyj, the other at the Royal Adelaide Hospital.

Upon dialling Dr Czernezkyj, the parents were confronted with an answering machine which contained, using the parent's words, 'a very strange message'. At first they did not believe it was the dentist's number. The parents said 'It was a tape with two people speaking at the time in high pitched sing-song voices saying "We are not at home but if you leave your name ... we will return your call" and then called themselves R & R Inc". Believing they might have dialled the wrong number, the parents retried the number, but were again confronted with the same strange message.

They then contacted the Royal Adelaide Hospital number provided by the Aberfoyle Park Dental Clinic only to be informed that 'they were not set up for that kind of work'. The parents say that they have since found out that the RAH has dentists on call for exactly the kind of emergency they were faced with. Getting nowhere with their inquiries, the parents decided to again call the Aberfoyle Park Dental

Clinic to query Dr Czernezkyj's telephone number, which was providing the strange answering machine message. There, a Dr Hong was told about the problems reaching Dr Czernezkyj and the inability of the RAH to handle such emergencies. Dr Hong's response was, to quote the parents:

Even if I did get to speak to a dentist they would tell me the same thing as she has—to wait until Monday.

Horrified by this response, and quite unwilling to chance waiting until Monday, the parents managed to contact their family dentist about 9.30 p.m. on Friday—two hours after the accident occurred. The dentist found that the boy had a badly lacerated and swollen upper lip, badly lacerated gums and four very loose teeth. The dentist informs me that the teeth needed repositioning and splinting and could not have been left until Monday. The parents rightly question why an emergency number is listed in the telephone book if people are unable to access the service that is supposed to be provided. In addition, what is the good of telling parents of their responsibilities about the handling of damaged teeth—as is the case in posters in School Dental Service surgeries—when the service itself lacks a workable backup system? My questions to the Minister are:

1. Will the Minister confirm that parents, particularly in the southern suburbs, have for some time experienced problems in obtaining services from the emergency after-hours School Dental Service?

2. If so, will the Minister detail what changes the School Dental Service has put in place to remedy the shortcomings?

3. Is the Minister concerned that it appears that staff at the Royal Adelaide Hospital have been misinforming the public about the range of emergency dental treatment available after hours?

4. If so, what steps have been taken to ensure that all staff are aware of the range of emergency dental services available so that the public is correctly advised?

The Hon. BARBARA WIESE: I will refer those questions to the appropriate Minister and bring back a reply.

OVERSEAS QUALIFICATIONS

The Hon. J.F. STEFANI: I formally congratulate you, Mr President, on your elevation to the office of President, and I wish you every success in your new position.

I seek leave to make a brief explanation before asking the Minister of Ethnic Affairs a question about the recognition of overseas qualifications.

Leave granted.

The Hon. J.F. STEFANI: On 22 November 1988, the South Australian Ethnic Affairs Commission organised a one day seminar with the theme 'Recognition of Overseas Qualifications: Implications for Education, Employment and Training'. The participants to the seminar represented more than 60 Government agencies, tertiary institutions, professional associations, employers and unions and expressed their concerns at the wastage of the skills of migrants in South Australia. They also expressed the view that the Government and industry could not afford to waste the potential economic contributions of the immigrant population.

The seminar identified two areas which require urgent attention: the establishment of an overseas qualifications task force and the creation of a one-stop shop to assist people with overseas qualifications to gain recognition. Recently, the New South Wales Government released a report from a committee of inquiry headed by Mr Ron Fry, the former head of the Federal Government inquiry into the recognition of overseas qualifications. The New South Wales report recommends the establishment of a board to be responsible to the Industrial Relations and Employment Minister and to ensure the review of the State Government's policy on overseas qualifications, skills and experience.

I have been advised that the Federal Government is holding discussions with the New South Wales Government to agree on areas of responsibility, approaches to monitoring and the need for properly coordinated bridging courses. My concerns are that, as other States address this issue, nothing has eventuated in South Australia since November last year. My questions are:

1. Will the Minister approve the allocation of the necessary resources to ensure the establishment of a task force to initiate immediate discussions with the Federal Government and other State Governments to coordinate a common approach to this important community issue?

2. Will the Minister consider the appointment of an effective task force as recommended by the seminar to ensure appropriate representations of various parties interested in the issue of overseas qualifications?

The Hon. C.J. SUMNER: These matters are being examined by the Government. In the past, the Government has given considerable priority to the recognition of overseas qualifications. It is a problem that has existed in the community for those people of a non-British background virtually since the mass migration after the Second World War. Some progress has been made; obviously not enough. That has been accepted by me and by most States. It is not just a matter of Government action; it is a matter of trying to get accrediting bodies from the tertiary/academic sector and the trade sector to accept overseas qualifications. For some time the Ethnic Affairs Commission has had an officer devoted to the task of facilitating the recognition of overseas qualifications. Some moves are being made to improve that system nationally and elsewhere in Australia, and consideration is being given to the matter in South Australia, as it is to the recommendations made at last year's seminar.

MOUNT LOFTY RANGES REVIEW

The Hon. M.J. ELLIOTT: Mr President, I also welcome you to the Chair. I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Environment and Planning, a question in relation to the Mount Lofty Ranges Consultative Management Plan and the consultation processes involved.

Leave granted.

The Hon. M.J. ELLIOTT: I have had contact with three members of the Mount Lofty Ranges Review Consultative Committee. They are unanimous in their opinion that the report known as the Mount Lofty Ranges Review is not a direct reflection of their beliefs. The Government set up three committees: two were made up of bureaucrats and the third comprised members of the Hills community. A few of them have copped a great deal of flak because people have assumed that, because it was called a consultative review committee, it would have reflected the consultation process that went on with them. They plainly disagreed with some things, yet somehow they got into the report, which was released publicly.

One of their concerns with the report is that it made a policy recommendation that the CFS Bill be introduced and passed immediately. They claim that they expressed reservations about that legislation, particularly in relation to the potential harm it could do to the wholesale clearance of native vegetation, which many Hills people believed could affect the lifestyle that they enjoyed. Subsequently, I received

a telephone call from a member of the public who was worried about the next stage of consultation, particularly the Government's intention to end submissions at the end of May, and to announce in June what it was doing.

This person asked me how it was possible to have a consultation process where one puts in all of the information by the end of May and yet, in a couple of weeks, the Government had made its final decision. This person stated that any sort of normal consultation process is a backwards and forwards process, where views are taken into account. After I told him what I have been informed about the committee, he was greatly concerned. He further stated, having come from interstate six months ago, that he was absolutely shocked by what this Government calls 'consultation'. My questions to the Minister are as follows:

1. Why did the draft plan—which has now been made public—not reflect the viewpoint of the committee made up of residents?

2. Will the Government consider having a longer stage of true consultation between the close of the first submissions and when the Government announces its final decision so that we can be sure that the fears about lack of consultation do not prove accurate?

The Hon. Barbara Wiese interjecting:

The Hon. M.J. ELLIOTT: Do you mean that people can write in and it goes in the box? That is not consultation.

The Hon. C.J. SUMNER: As the Hon. Ms Wiese said, it is in the consultation process now. The basic rule of politics is that if you do not agree with what the Government is doing, you first complain about lack of consultation, regardless of whether there has been consultation for months or days beforehand.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: But, the reality is that the Government is careful to consult across a wide range of areas in relation to most matters that come before the Parliament. Of course, at the end of the day, if some people are not necessarily satisfied with the decisions taken by the Government, they apply the basic rule of politics: if you do not agree with what the Government is doing, you complain about lack of consultation. I will refer this question to the Minister of Environment and Planning and bring back a reply.

The Hon. M.J. ELLIOTT: Does the Attorney-General believe that the committee should at least have seen the final report before it was released?

The Hon. C.J. SUMNER: I do not know the details of the matter. But, as I said, I will refer the question to the appropriate Minister and bring back a reply.

STIRLING COUNCIL

The Hon. J.C. IRWIN: I seek leave to make a brief statement before asking the Minister of Local Government a question about Stirling council.

Leave granted.

The Hon. J.C. IRWIN: The Minister has told us previously in this place that the Stirling council is close to running out of money—I believe that could be as early as May this year—largely as a result of legal actions following the bushfires in that area. Local government elections are due to be held in about three weeks and it appears that there will be a number of contests in the Stirling council area. I expect that a good flow of rates will not eventuate until the latter part of this calendar year—some months away yet.

This session of Parliament will conclude in the next day or so, thus greatly limiting the ability of members to question the Minister and be made well aware of the situation at Stirling, or in any other council area. It would seem that the Stirling council, the Local Government Association and the Government may still need time and funds—bridging, if you like—to help solve the problems. What measures are still being discussed to try to resolve this matter? Is there in place firm plans to avoid not a looming crisis (because it has gone past that) but an imminent crisis in the Stirling council area?

The Hon. BARBARA WIESE: The last time that this matter was raised in the Parliament I indicated to the Council that the District Council of Stirling had indicated to the Government that it anticipated that it might run into a cash problem crisis at about the end of April. As I understand it, revised estimates by the council indicate that they will not have a problem with flow until some time much later—perhaps about the end of May or early June. That is the more likely time frame for these financial difficulties. This matter has been a topic of discussion with the council and Government officers during the past few months.

Some of the other issues being discussed relate to, first, the possibility of identifying a fast track method for the settlement of claims. I was very hopeful that with the Government acting as the honest broker between the two parties it may have been possible for us to identify a fast track method for the settlement of claims which may have been acceptable to both the council and the plaintiffs. Two or three different propositions have been explored by both parties during the past few months. Unfortunately, they were not able to agree on a fast track method and, indeed, court proceedings have started again—as honourable members would have seen in newspaper reports in the past couple of weeks.

Therefore, whilst at least one of the cases which is likely to be a very difficult one to resolve is before the court, nevertheless discussions are still taking place on numerous other claims, and it may be possible to reach some sort of agreement on those claims. In the meantime, council and Government officers have been considering the question of the council's capacity to pay at the time when, finally, we are able to determine the council's ultimate liability for the bushfire damage. That matter has not yet been resolved, but steady progress is being made.

The Government has indicated to the Stirling council that should it wish to proceed with the settlement of claims on which quantum has already been established, we would be prepared to assist in whatever way is appropriate for that to be achieved. Of course, the Government, if necessary, would be involved in discussions with respect to cash flow problems at the appropriate time. However, at the moment, there is no problem and the various negotiations in which the Government has been involved are proceeding smoothly. I hope that, at least some of those issues can be resolved in the very near future. However, in relation to the council's ultimate liability, I fear that it will be some time yet before we are able to know the exact final damages bill as a result of the current court proceedings.

REPLIES TO QUESTIONS

The Hon. C.J. SUMNER: I seek leave to have the following replies to questions incorporated in *Hansard* without my reading them.

Leave granted.

PORT HOUSING AUTHORITY AND UNEMPLOYMENT SELF-HELP INC.

In reply to **The Hon. K.T. GRIFFIN** (1 December).

The Hon. C.J. SUMNER: Complaints were laid against four members of the committee of PUSH on 19 July 1988, alleging breaches of section 30 (2) *(b)* of the Associations Incorporation Act 1985.

In August 1988, the commission received a copy of a letter addressed to the honourable Attorney-General for the State of South Australia, written by the solicitor representing the four people charged. This letter requested that the prosecutions be withdrawn. In particular, this letter contained a paragraph which indicated that the Department for Community Welfare (DCW) had expressed a desire for one of the accused persons to continue as a member of the management committee of PUSH. As a result of this letter, DCW was contacted and this opinion was confirmed.

Officers of the commission, other than the prosecutor and investigator, discussed with DCW the general operation of section 30 in relation to cases where the offenders were members of self-help groups, the argument put forward by DCW being that these associations, by their very nature, tended to have a majority of members with the type of convictions which would, in the normal course, prevent them from being on the management committee. DCW argued that it was fundamental to the operation of these self-help groups that they be managed by the members who were intended to benefit from the activities of the association. It was recognised, however, that there were countervailing arguments. These discussions dealt with general matters and were not specifically directed to the case involving the members of the committee of PUSH.

In the particular case involving PUSH, having regard to the fact that each of the four persons was not aware that they were disqualified from being members of the management committee, the fact that they had resigned after being aware of the commission's investigation and the fact that there were no aggravating circumstances, including the fact that no loss was suffered by anyone, the commission ultimately decided to withdraw the proceedings.

Neither the prosecutor nor the investigator contacted the defendants personally, any other members of the association, anybody employed by the Department for Community Welfare, or any other person in relation to the decision to withdraw the PUSH prosecutions prior to the complaints being withdrawn. The only person spoken to prior to the complaints being withdrawn was the solicitor for the four defendants. Following the withdrawal of the complaints on 11 November 1988, DCW was advised in writing that the complaints had been withdrawn.

Apart from the PUSH matter, the commission has completed only two investigations for breaches of section 30 of the Associations Incorporation Act 1985 since its inception. The first of these investigations was in relation to Robert Wayne Collins. Mr Collins was charged under section 30 (1) of the Act with being a member of a committee of an association while an insolvent under administration. He was convicted but the conviction was subsequently set aside by the court pursuant to section 76a of the Justices Act. The complaint was eventually withdrawn against Mr Collins, because, first, Crown witnesses were unwilling to give evidence for the prosecution, and, secondly, Mr Collins was at the time serving a sentence of imprisonment of eight years imposed on him by the Supreme Court for charges of obtaining money by false pretences, and any penalty imposed by a court of summary jurisdiction for a breach of section 30 was unlikely to affect that sentence.

The second investigation carried out by the Corporate Affairs Commission related to the Animal Ambulance Association Inc. Following that investigation, two members of the committee of that association were charged with a breach of section 30 (2) *(b)*. Each defendant pleaded guilty to the charge and was convicted without penalty.

ACCESS CABS

In reply to **The Hon. J.C. BURDETT** (23 February).

The Hon. C.J. SUMNER: My colleague the Minister of Transport is aware that occasional difficulties have been experienced by disabled people in obtaining an Access Cab. There has been a particular problem in some of the outer metropolitan suburbs but not to the extent implied in the question by the honourable member.

Indeed, there are at present some 1 485 people in wheelchairs utilising 20 Access Cabs and, since July of last year, in excess of 15 000 trips have been made. The Minister believes that this level of patronage indicates the high level of acceptance of the scheme and the service it provides. It is possible that during last winter when only 10 special cabs were available, some people were kept waiting for unacceptable periods of time. The fleet has subsequently been doubled resulting in a generally improved standard of service.

Nevertheless, the Minister does consider the issue an important one, involving as it does the welfare of the ageing and the disabled. The matter has been drawn to the attention of the management of Access Cabs who assure him that drivers go out of their way to give priority to wheelchair clients. Occasional difficulty will exist in providing a timely service but the Minister is hopeful that as a result of the recent review of the service initiated by him, the general level of efficiency and service delivery by Access Cabs will be enhanced.

NATIONAL PARKS AND WILDLIFE ACT

In reply to **The Hon. L.H. DAVIS** (16 March).

The Hon. C.J. SUMNER: The Minister of Environment and Planning has provided the following answer:

A review of the schedules of plant and animals attached to the National Parks and Wildlife Act is currently being undertaken. Widespread consultation has already taken place with a broad range of organisations and individuals, including the writer of the letter from which the honourable member has quoted. Revised schedules will reflect the most up-to-date information compiled from submissions received from the public, museums and State herbarium records, and with the expert knowledge of officers of the South Australian Museum, State Herbarium and the Department of Environment and Planning.

MARINELAND DOLPHINS

In reply to **The Hon. M.J. ELLIOTT** (15 March).

The Hon. C.J. SUMNER: The Minister of Environment and Planning has provided the following answer:

The West Beach Trust owns the dolphins. It is not expected that temporary measures will be required, and the Government will consider all options.

INFORMATION EXCHANGE

In reply to **The Hon. M.J. ELLIOTT** (7 March).

The Hon. C.J. SUMNER: The Minister of Community Welfare has provided the following answer:

The Department for Community Welfare (DCW) is responsible for the administration of the South Australian Government Electricity Concession Scheme. ETSA assists DCW by providing a means whereby pensioners may have the electricity concession ($50 per annum) deducted from the amount of their electricity accounts. From time to time (currently on a four-monthly basis) DCW requests ETSA to supply a list of all Department of Social Security (DSS) and Veterans Affairs (DVA) pensioners who are receiving electricity concessions.

The information is supplied in coded form on magnetic tape to DCW which forwards it to DSS and DVA for matching their current list of eligible pensioners. DSS and DVA notify DCW of any mismatches and an 'eligibility statement' is sent to the particular pensioner. DCW then notifies ETSA to modify the status of the pensioner depending on the pensioner's response to this letter. Between December 1985 and January 1989, the number of pensioners classified as 'unmatched' or 'not confirmed' has been reduced by more than 5 000 as a result of this matching process.

In summary, therefore, DCW conducts periodical 'matching runs' involving ETSA and DSS. An ETSA computer tape of apparently eligible pensioners is presented to DSS for comparison against current pensioner health benefits card holders. A tape of those cases that cannot be reconciled is then returned to ETSA as 'unmatched' or 'not confirmed'. DSS will not elaborate on these two basic categories for reasons of client confidentiality. ETSA then prepares eligibility questionnaires in respect of these cases. The questionnaires are sent out by DCW. There are no other areas in DCW, besides the electricity concession scheme, where information from DSS is used in this way.

The position in respect of Mr Elliott's last question regarding the voucher system is as follows. It is understood from DSS that pensioners who are eligible for a telephone concession are issued a set of four vouchers at the beginning of the calendar year. To receive the concession, the pensioner is required to present a voucher with the telephone account at the time of payment. On past experience, it is doubtful that the Commonwealth would agree to issue vouchers on behalf of the State, even if the State were to meet the administrative costs.

Also, as the change to a voucher system would impact on ETSA, that authority would need to examine the feasibility of such a scheme. The adminsitrative cost and inconvenience to clients would be significantly higher under a voucher scheme compared with the current scheme whereby ETSA automatically deducts the relevant concessional amount before the client is billed in most cases.

(ii) South Australian Housing Trust

Approximately two out of every three trust tenants apply for and obtain a rebate on the level of rent applicable to their property. The trust is pleased to provide assistance to those tenants who are in need, but the value of rent forgone in this way will reach $100 million per annum in the near future and the trust must therefore be certain that concessions of this value are fully validated. This issue has also been taken up by the State Auditor-General, who has emphasised the need for all public authorities to validate the concessions which they give.

In reviewing the options open to it, the trust concluded that recipients of concessions must either provide written proof of their income (for example, a letter or statement from the provider of their income) or, if they are unable to do this, they must sign an authority which gives the trust their permission to verify their income directly with the provider. The authority only permits the trust to confirm so much income information as is necessary to determine eligibility for a rent rebate (or rent relief). The information to be released is determined by the releasing authorities from their perusal of their files, not by the trust having direct access to Social Security or employers' records. The trust does not send computer tapes to Social Security or any other authority for cross-checking to substantiate income.

PORT PIRIE INDUSTRY

In reply to **The Hon. M.J. ELLIOTT** (8 March).

The Hon. C.J. SUMNER: The Minister of Environment and Planning has provided the following answer:

1. No time frame has been set nor is a uranium enrichment plant under consideration in South Australia at this time.

2. Phase 2 of the proposed rare earths extraction plant at Port Pirie will be the subject of an environmental impact statement (EIS). No commercial treatment of monazite will occur at Port Pirie until the EIS has been completed and the necessary approvals have been granted. Phase 1 of the proposed project involves:

- extraction of rare earths from existing tailings. This treatment will be undertaken using in-situ leaching techniques and
- concentration of a non radioactive yttrium rich product imported from China. This product will be separated to produce a grade of yttrium suitable for commercial evaluation.

These products will be undertaken with an agreement that:

- no solid waste may be removed from the site;
- no liquid waste may be discharged from the site;
- airborne emissions comply with the Clean Air Act 1984;
- noise emanating from the site must not exceed the maximum permissible noise levels specified in the industrial noise control regulations of the Noise Control Act 1976-1977.

In addition, any radon gas discharged from the site would be subject to the Radiation Protection and Control Act 1982 and would be well below the minimum requirements stipulated for the general public.

Phase 1 offers the opportunity to clean up an area of Port Pirie. It does not involve any permanent construction on site. All work will be subject to analysis and approval by relevant Government authorities. No radioactive material will be produced. Radioactive wastes obtained from the existing tailings will be stored on site in accordance with the requirements of the relevant authorities.

Further, the proponent will be required to place a bond with the Government for the rehabilitation of the site should phase 2 of the proposal not eventuate. This bond would also cover the costs involved in the disposal, in accordance with the requirements of the appropriate authorities, of radioactive wastes. It is not necessary for an EIS to be prepared for the Government to be satisfed that phase 1 can proceed without undue environment impact.

URANIUM MINING

In reply to **The Hon. M.J. ELLIOTT** (24 August).

The Hon. C.J. SUMNER: The Minister of Mines and Energy has provided the following answer:

1. The asbestos case referred to in Western Australia occurred during the mining of asbestos where fibre levels in the air were commonly many hundred times that which has been allowed in South Australia since the Industrial Safety, Health and Welfare Act 1972 came into force. There is no mining or processing of asbestos occurring in South Australia and the handling of asbestos during removal operations is well controlled.

In regard to uranium mining in this State and its associated radiological considerations, strict controls under the Radiation Protection and Control Act, administered by the SA Health Commission, are in operation to ensure the health and safety of the workforce and the public, and that the risk faced by workers in this particular industry is maintained at a level consistent with that faced by workers in industry generally.

2. About eight years ago when South Australia was commencing the development of the State registry of uranium miners, the Commonwealth, through the Australian Institute of Health, indicated some interest in establishing a national registry, and information was provided on South Australia's proposed system as a possible model. However, a national registry has not eventuated, and its establishment is a Commonwealth Government matter. The South Australian registry is being maintained, and we would be prepared to integrate it with a national registry should the latter evenuate.

NATURAL DISASTER FUNDS

The Hon. PETER DUNN: I congratulate you, Mr President, on your elevation. I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Agriculture, a question about natural disaster funds.

Leave granted.

The Hon. PETER DUNN: Following Mr Keating's statement last night that no more funds will be made available in Australia for natural disasters, and as it appears from all reports—

The Hon. Diana Laidlaw: There'll be no more natural disasters.

The Hon. PETER DUNN: The first thing that comes to mind is that it appears that there will be no more natural disasters. Furthermore, it appears that, because the Federal Government has alleged that Queensland farmers have cheated the system, the Government was unable to monitor Queensland's use of that money. That sort of behaviour seems typical of the present regime. Has the Minister or the Government made any contingency plans to fund a natural disaster in this State?

The Hon. BARBARA WIESE: I will refer those questions to my colleague and bring back a reply.

KOREAN ADOPTIONS

In reply to **Hon. Diana LAIDLAW** (23 February).

The Hon. BARBARA WIESE: The Minister of Community Welfare has supplied the following information in response to these questions:

1. The full fee of $1 200, while channelled into general revenue, is recouped by Adoption Services in its operating budget, and only covers about half the cost of the inter-country adoption program.

2. Korea has asked for no applications to be sent until further notice. While there is no indication as yet from Korea when that will be, at no time have applicants been told that Korea has closed its doors for all time.

3. The National Standing Sub-Committee on Intercountry Adoption will meet shortly to consider a response to the Korean situation. South Australia has taken the initiative in calling for this meeting.

COMMUNITY WELFARE PUBLICITY CAMPAIGN

In reply to **Hon. DIANA LAIDLAW** (9 March).

The Hon. BARBARA WIESE: My colleague the Minister of Community Welfare has advised that the Department of Community Welfare is not about to launch a publicity campaign to promote its image. In fact, no funds have been approved to conduct such a campaign.

COUNCIL POLLS

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

Leave granted.

The Hon. J.C. IRWIN: The Minister and members are aware through recent publicity that there is a number of proposals for large scale council amalgamations and/or major boundary changes. The proposal for a super city involving Marion, Brighton and Glenelg could be cited as one example. There are proposals concerning major ward changes. The city of Mitcham, the Hills Policy Group and Happy Valley council are an example of that sort of proposition.

Some proposals are before the Local Government Boundaries Commission and some at this stage are still very preliminary. The city of Mitcham, Hills Group, and Happy Valley is one proposal now before the Local Government Boundaries Commission. Approximately one month ago, the Mayor of Mitcham, on behalf of his council, wrote to the Minister of Local Government requesting that, in accordance with section 29 of the Local Government Act 1934, a poll be conducted of all electors who will be affected by any decision of the commission and, ultimately, the Minister.

As the Minister knows, she may direct that a proposal for the making of a proclamation under Part 2 of the Act be submitted to a poll of those who are directly affected by the proposal, and the Minister may direct the council or councils affected by the proposal to conduct a poll, or the Electoral Commission can be directed to conduct a poll.

Members will recall that the Hon. Murray Hill, on behalf of the Opposition, tried to amend the Local Government Act in such a way that a poll of affected electors could be called by affected councils. In fact, it went further than that as no proposal could be effected if a majority did not want it. This was rejected by the Government, so we are left with the Minister's having a discretion as to whether the electors are allowed a democratic right as individuals to support or reject a proposal.

Admittedly, the commission does have the power, through its investigative process, to seek our views through submissions but, unless the Minister invokes section 29, the commission cannot know a collective view as expressed by an actual poll. My question to the Minister is: will she use her discretion to call a poll of affected electors in any major amalgamation or territory shifts before the Local Government Boundaries Commission to help it with its deliberations. In particular, will she concur with the city of Mitcham and call a poll of affected electors in its city so that she and the commission can be left in no doubt about the wishes of the majority of electors in that area.

The Hon. BARBARA WIESE: I do not intend to call for a poll in the affected area of the Mitcham council with respect to the current submissions that are before the commission in relation to this question. I would not want to address the question of what might happen to any future submissions that might come before me or before the commission. In general terms, it is my view that the procedure that has been established for the examination of proposals for amalgamation or boundary change provides appropriate and reasonable scope for any interested parties to put forward a view about those questions and to have their views considered as part of the process of examining any particular proposal.

I believe that this procedure should be adopted. In the past four years, since the Local Government Advisory Commission has operated, it has established a very high level of trust amongst councils and various sections of the community that have come into contact with it. In fact, it has shown enormous understanding and sensitivity to local concerns when it has reviewed particular proposals that have come before it. Any individual, group or council that may have some interest in the matter can give either written or oral evidence to members of the commission and have those views considered.

I believe that this is the appropriate way for these matters to be dealt with, because it provides an environment which is free of the heat and emotion that very often develops in local communities about such questions as boundary reform. I think that procedure is more likely to bring forward recommendations about the structure of local government that are in the interests of local government and, in particular, local communities. Unless circumstances change, I intend to pursue that procedure, which I believe is appropriate.

AGEING STRATEGY

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Community Welfare, a question about the Government's ageing strategy.

Leave granted.

The Hon. DIANA LAIDLAW: Although they could be excused for not doing so because it was about 20 months ago, I am sure that most members will recall that the former Minister of Community Welfare released a discussion paper which proposed a Government strategy in relation to ageing. That paper was circulated to organisations representing the interests of the ageing, including service providers. It was also made available to care givers and older people themselves so that they could respond to those nine key areas which the Government identified as the basis for future strategy.

I understand that consultation was completed about 15 months ago. I was advised last December that the response through the Commissioner for the Ageing's office (and the Commissioner for the Ageing was in charge of the consultation process) had provided the Minister of Community Welfare with the submission to go to Cabinet.

That was four months ago, when the Minister had his submission to take to Cabinet. It is 20 months since the Green Paper was first released. This White Paper, which aged groups are impatiently seeking from the Government, is the Government's statement on policy in relation to the ageing.

I therefore ask the Minister to explain, not only to me and to Parliament, but also to those who were diligent in responding to the Government's invitation in October 1987 to respond to the Green Paper on the ageing, why it has taken some 20 months to outline the Government's strategy on issues that these people have an interest in, and a legitimate right to know about. Why has the Government not even paid these people the courtesy of responding to these matters? When does it propose to do so?

The Hon. BARBARA WIESE: I will refer those questions to my colleague the Minister of Community Welfare and bring back a reply.

STANDING ORDERS COMMITTEE

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

That the Hon. Carolyn Pickles be appointed to the Standing Orders Committee in place of the Hon. J.A.W. Levy, who previously held office *ex officio*.

Motion carried.

JOINT COMMITTEE ON SUBORDINATE LEGISLATION

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

That the Hon. G. Weatherill be appointed one of the representatives of the Legislative Council on the Joint Committee on Subordinate Legislation in place of the Hon. G.L. Bruce, resigned.

Motion carried.

JOINT PARLIAMENTARY SERVICE COMMITTEE

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

That the Hon. T. Crothers be appointed as a representative of the Legislative Council on the Joint Parliamentary Service Committee in place of the Hon. G.L. Bruce, who now holds office, *ex officio*, as President of the Legislative Council.

COUNTRY FIRES BILL

Adjourned debate on second reading.

(Continued from 11 April. Page 2851.)

The Hon. M.J. ELLIOTT: This Bill is one of a couple which caused a great deal of concern in the dying stages of this session. It is one of those Bills that really needed a longer consultation process than the Government has deemed necessary. I do not think I have seen another Bill which has caused such widespread concern amongst such a wide cross-section of the community.

Although the Volunteer Fire Brigades Association is supportive of the Country Fires Act, a large number of volunteer firefighters and brigades still have real worries about the ramifications of the Bill. I have had letters from volunteers literally all over the State. It is in part the natural suspicion that country people have for central government. The Bill really is about setting up a chain of command based from the top in Adelaide. The Government has pointed to the coroner's report following the Mount Remarkable fire and has used that as support for the chain of command. I do not intend to speak on that issue one way or the other. I merely indicate that a large number of volunteers—I do not know whether it is a majority; it may not be—have some concerns which emanate in part from the authoritarian nature of the way that the CFS is now run. I do not believe that in many cases consultation is carried out well enough with volunteers.

I suppose the volunteers have also considered what has happened to the St John Ambulance in recent years. They are fearful, rightly or wrongly, that the same will happen to their organisation. 'Volunteerism' seems to be a dirty word in the Government's vocabulary. It is most unfortunate. Volunteerism is something that perhaps country people understand better than city people. Working for the mutual benefit of the community is not uncommon in the country. Unfortunately, in the larger city these values disappear. It is not the fault of the people in the city; it is partly the way in which the community is structured.

Nevertheless, people willingly give much of their time to organisations such as the CFS. We must be careful, as we set up this chain of command structure, that it is not run in such an authoritarian and autocratic fashion that the very basis upon which the CFS is built is destroyed.

There is deep concern at local government level. Again, I have had contacts from individual councils all over the State. The Local Government Association has said that it supports the Bill in a similar fashion to the volunteers, but the LGA is not speaking for all councils. Many have grave reservations. There is concern, in part as a result of what has happened recently, because increasing demands have been placed on their financial resources. They have to provide about 50 per cent of the funding for the provision of services at local level. The Government has proudly boasted that it has put more money into the CFS. That is true, but most of it has gone into the central structure of the CFS.

As we are considering this command structure set-up, I suggest that we need a much better radio system, and many other upgrades are necessary in headquarters. However, we must be careful not to get ourselves into a mentality whereby head office grows and grows like Topsy. I think that bureaucracy grows almost for its own sake. It gets into all the latest wizz-bang gadgets for firefighting and loses touch with reality and the grass roots.

Local government has been making large contributions, and it is clear that under this Bill it will be expected to continue to make large contributions. I am not certain that

it would begrudge that if it were not that the Bill also takes away much of the say that local government once had in the way in which the CFS was run at local level. Again, power has been taken away not only from the volunteers, but from local government. Therefore, local government sees itself as supplying the money and that is all. The Government is using local government as a way of accessing money for a body over which it has almost complete control.

The third group of people who are extremely concerned about the effects of the Bill are conservationists. They argue, I think correctly, that it is about time that we started developing total land management strategies. Firefighting should not be looked at in isolation. In places, the Bill uses the terminology 'land management' but, by the way it is structured, I am not convinced that it will have the significance placed upon it that it should have. Conservationists are concerned that if the powers that are being considered are given to certain officers, burn-off decisions will be made by people who, while they may know a lot about fires, know nothing about what they are burning. For example, if they decide to burn off a patch of scrub, they may have no idea whether there is anything extremely rare there or what the consequences of burning off will be.

Frequency of fires has an impact on native vegetation. If they are too frequent, they can be damaging. As humanity starts most fires these days, the CFS plays an important part in looking after our native scrub. If there is too much burning off, it will change the composition of the species which are there. Most people know that, in a patch of scrub which has not had a fire for some time, the species composition changes dramatically after a fire. It can take 30 to 40 years to return to the state in which it was before the fire. That is what can happen when people who do not understand the ramifications make decisions.

I should like to refer to one case, and this is where the chain of command becomes very important. In the early 1980s a large fire at the Danggali Conservation Park was referred to in the metropolitan media. The attitude of the rangers was that the fire was in the park, that it was started by lightning, that it was part of nature and that the best thing to do was to let it burn so long as it did not escape from the park. The local CFS arrived with bulldozers ready to go in and put out the fire. It ended with the police being called in to separate the National Parks staff from the local CFS. It was a totally undesirable situation. Both groups were trying to do their jobs. The rangers knew a lot about parks, the CFS knew a lot about fires, but the fire was in a park.

Under the proposed structures the CFS will take control of fires in forests and will control the Woods and Forests Department's crews. I believe that is causing consternation, because they are highly professional crews. The CFS will also take control of National Parks and Wildlife crews. However, I agree that those crews are, generally speaking, under-staffed because of lack of Government resources. The chain of command means that the CFS will be controlling fires. I can only hope that, as it sets about controlling fires, particularly in parks, the people in charge have a real understanding of land management and conservation principles. Otherwise, it could be an unmitigated disaster.

The fourth group of people who have contacted me and expressed concern represent the insurance companies. They are major contributors. They make the point that the people who buy insurance are providing funding for the CFS, but those who do not insure their properties are not—at least via the levies on the insurance companies. Again, that is a very real problem.

I mentioned earlier the Government's release of the Mount Lofty Ranges Review Consultative Committee report which, in fact, was not a consultative report at all; it did not reflect the views of the people involved in the consultation. That committee did not see the report before it was released. When it saw an earlier draft, the committee objected to certain parts of that draft, and it was never shown to them again. I believe the report was released only two days before this Bill came into another place. That report contained a policy recommendation that this Bill go through as a matter of urgency, and some people were a mite suspicious that the report was rushed out mainly to apply pressure to get this Bill through in a hurry.

The Liberal Party has indicated that it will support the Bill, but with some reservations. It has indicated that things have been rushed. That being the case, the best I can hope to achieve is to move amendments which try to tackle the various concerns of the groups I have mentioned. I will leave discussion of most of those concerns until the Committee stages.

Funding concerns local government and insurance companies. I will move to put a sunset clause on those provisions within the Bill which relate to it. That means that the Government—should this amendment be agreed to—will need to come back to this Chamber in a year's time with another funding proposal.

Without canvassing the various alternatives for funding, it has been suggested to me that unfortunately some of the other options could be presented as a new form of tax and therefore any one Party making such a recommendation would get into trouble at the polls. It has been suggested to me that we should set up an all-Party committee to look just at the question of funding for the CFS. If we can achieve—as I think we can—a unanimous recommendation from that committee, hopefully commonsense will prevail, making it easy for the Government in a year's time to introduce clauses which address funding far better than does the current Bill. The Democrats express reservations about the speed of the passage of this Bill and will be moving amendments in Committee.

The Hon. C.J. SUMNER (Attorney-General): The Government has been prepared to accept numerous amendments to the original Bill, and in another place detailed explanations were given as to the reason for not accepting others. In this Chamber we are now faced with similar amendments from the Opposition. The only amendment, which has been filed by the Hon. Mr Elliott, seeks to change one of the most important features of the Bill, and that is the establishment of bushfire prevention committees at district level. If his amendment were to be successful, it would allow the council the right not to establish district bushfire prevention committees at all.

The Hon. M.J. Elliott: Haven't you been given the updated amendments?

The Hon. C.J. SUMNER: I haven't seen them. So, we will be faced with some councils undertaking this function in a proper manner (as some are already doing), and others putting their neighbours at risk by not establishing similar prevention planning. There must be a unified approach to this important aspect of overall fire prevention and suppression. It would appear that the Hon. Mr Elliott has now recognised that aspect and, apparently, he has put on file an amendment which will overcome that criticism of his approach.

The Opposition in another place has placed on record its strong support for the fire prevention aspects of the Bill. The Country Fire Services Board has addressed many of

the issues raised in the report from the Parliamentary Accounts Committee, not the least of which was the manner in which subsidies were distributed. The system in use now recognises that there is a need for those councils which do not have an ability to pay for adequate fire protection to receive assistance. In his speech, the Hon. Mr Irwin asked some specific questions and the answers are as follows:

1. There is no regulation to be proposed which will require CFS members to pay a registration or membership fee.

2. It is intended that CFS officers will be issued with identification in a similar manner to that now provided for Fire Control Officers.

3. The current figures on training and membership of CFS are as follows: current membership as at 12 April 1989, 19 994 persons. The following number of persons who have undertaken various levels of training are: Level 1, 3 795; Level 2, 1 760; and Level 3, 1 043.

In addition to these courses, the following number of persons have undertaken specialised training: Breathing Apparatus Operator, 963; Instructors, 160; First Aid, 901; Officers Course, 116; and Vehicle Accident Rescue, 271. The total number of courses passed by members of the CFS is 9 195.

4. The intention of the CFS is to ensure that all members, where possible, will be trained to a minimum of Level 1.

5. The wording of clause 65 quite clearly provides immunity to all members of the CFS who are acting in accordance with the provisions of the Act.

It should be emphasised that the South Australian Volunteer Fire Brigades Association, which is representative of the many thousands of volunteers in the CFS, is totally supportive of this Bill, and surely the workers of that body of people must be heard if we, as a community, expect them to continue their valuable services. The Bill, in its present form, provides for a chain of command in which the volunteer officers at brigade and group level can make the necessary operational decisions which the community has come to rely upon.

The Hon. Mr Irwin has indicated that private units on farms may be ordered off their properties at the behest of a CFS officer. This is clearly incorrect as nowhere in the Bill is there any power given to the CFS to order private units to attend any incident. However, clause 55 does provide that in subsection *(j)* a CFS officer may make use of the gratuitous services of any person. It certainly stretches the imagination to believe that this could, in any way, be used to order private units to leave their properties.

As indicated by the Minister of Emergency Services in another place, the Government has given consideration to the provisions contained in clause 27 regarding uninsured properties, and a Government amendment clarifying this clause will be introduced. The legislation as it is now before the Legislative Council has been well prepared and, with the amendments already accepted in another place, should, in the Government's view, proceed.

Bill read a second time.

In Committee.

Progress reported; Committee to sit again.

STATUTE LAW REVISION BILL

The Hon. C.J. SUMNER (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Correctional Services Act 1982, the South Australian Heritage Act 1975, and the State Transport Authority Act 1974. Read a first time.

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

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

The object of this Bill is to make sundry minor amendments to the Correctional Services Act 1982, the South Australian Heritage Act 1975 and the State Transport Authority Act 1974, preparatory to their reprinting by the Commissioner of Statute Revision. Most of the amendments relate to converting penalties to the new divisional penalties that were enacted in 1988. It is the Government's intention that all reprinted Acts should be so expressed. It is the view of the Commissioner of Statute Revision that the Commissioner's powers under the Acts Republication Act to alter text in certain limited ways for the purposes of republication do not extend to converting penalties to divisional penalties. The penalties in the schedules to this Bill are direct conversions where possible and, where not possible, are taken up to the nearest division.

Clause 1 is formal.

Clause 2 provides for operation of the Act by proclamation.

Clause 3 provides for the amendment of the relevant Acts by way of the schedules.

Schedule 1 amends the Correctional Services Act. The amendment to section 36 overcomes the problem that the section currently contains two subsections (7).

Schedule 2 amends the South Australian Heritage Act only in relation to penalties.

Schedule 3 amends the State Transport Authority Act only in relation to penalties.

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

CHILDREN'S PROTECTION AND YOUNG OFFENDERS ACT AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 2971.)

The Hon. C.J. SUMNER (Attorney-General): A number of matters were raised by members opposite in this debate. The first matter relates to the enforcement of the pecuniary sums, the history of the discovery of this anomaly in the Act and the procedure with respect to the preparation of this legislation.

The Criminal Law (Sentencing) Act and the Statutes Amendment Repeal (Sentencing) Act came into operation on 1 January 1989. The extent of the problems regarding the enforcement of pecuniary sums in the Children's Court were not realised until the Clerk of the Children's Court identified a potential problem in mid February 1989. As a result, the Crown Solicitor's advice was sought. I am advised that in the interim clerks of court were verbally advised not to execute mandates or warrants pending the Crown Solicitor's advice.

This advice was forwarded to the Court Services Department on 20 February 1989. A copy was immediately circulated to clerks of court. The advice recommended that administrative arrangements be put in place to ensure that no action was taken to execute a warrant issued in pursuance of an order made on or after 1 January 1989. Since

receipt of the advice, draft legislation has had to be prepared and approved by Cabinet for introduction.

The second question related to the number of mandates, etc., issued since 1 January 1989. The number of young offenders covered by the retrospective legislation is not known precisely. The Clerk of the Children's Court estimates that there could be in the vicinity of 1 000 warrants issued but not executed.

The number of mandates or warrants executed invalidly is thought to be minimal (if, in fact, there were any). The Clerk of the Children's Court has advised that no young offenders would have been detained as a result of such a mandate. However, it is possible that some young offenders may have undertaken a work program, but even this is unlikely given the limited period between 1 January 1989 and the time that clerks of court were advised not to execute warrants.

The Crown Solicitor has advised that, in relation to orders made by the court before 1 January 1989, warrants could be validly issued and executed in pursuance of those orders. Therefore, the number of mandates or warrants which could have been invalidly executed would have been limited to those where the Children's Court made an order for detention or distress in default after 1 January 1989. Unless the order required payment of the fine forthwith, the young offenders would not have been in default until the expiration of the period for payment ordered by the court. In the Children's Court, it is usual practice for a young offender to be given at least a month to pay. Therefore, if a young offender was ordered to pay a fine, with a period of detention in default, in early January, the young offender would not have been in default until early February. It was soon after this that the Clerk of Court realised the potential problem with enforcement.

The third question related to the number of young offenders held without authority during the industrial dispute. The Department for Community Welfare has advised that the industrial dispute at the Youth Training Centre covered a four day period, that is, Monday morning to Thursday afternoon (13 to 16 February). In consultation with the police, arrangements were made for young offenders to be detained at the Holden Hill Police Station. An area was sectioned off for the young offenders. I am advised by the department that the number of young offenders held in police cells during this time was approximately 10 or 11, with a maximum at one time of seven. Officers from the Department for Community Welfare were in contact with the police station throughout that time and attempted to make alternative arrangements for the young offenders wherever possible, for example, assisting with arrangements for bail.

With respect to the question of the enforcement by a warrant for the sale of land, I point out that such a provision has not been put into the Children's Protection and Young Offenders Act. It is not included as it was thought that special considerations apply to young offenders in this respect. In addition, by virtue of section 62 (2) of the Criminal Law (Sentencing) Act, the power to order the sale of land in an adult court is not exercisable where the amount outstanding, or the aggregate of the amounts outstanding, is less than *(a)* $10 000; or *(b)* if some other amount is prescribed, that amount. Given the maximum fines and limits on compensation applicable in the Children's Court, such orders could only be made infrequently, if at all.

The other question asked by the Hon. Ms Laidlaw related to the Children's Court review. I assume that the review to which she referred is the one which resulted in an interim report which was made public last year, and legislation is currently being drafted. The review proceeds and, in due course, it will be completed. If further legislation is necessary, that will be introduced.

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

STRATA TITLES ACT AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 2971.)

The Hon. K.T. GRIFFIN: Prior to the luncheon adjournment, I had been expressing my support for the second reading of this Bill. I indicated that a matter was raised in the other place on which it might be necessary to consider an amendment. Now that I have had an opportunity to peruse the material, I hold the view that it is not an issue that ought to be the subject of a quick amendment and should receive more careful consideration. However, it is important for me to outline this issue, which has arisen out of a letter from the Housing Industry Association to the City Engineer and Building Surveyor at the City of Burnside. The Housing Industry Association Chief Executive (Mr Don Cummings) wrote to the City Engineer in the following terms:

Re: Application for a Certificate of approval of a Strata Plan.

It has come to our attention, that your council has adopted a stand, in relation to the above, that our members have not encountered with other councils. Where we can understand the requirement for appropriate engineering reports in relation to footings, wall construction, floors, roof framing and covering, stormwater and services, etc., for existing buildings, we find it difficult to accept this in relation to new dwelling units.

In the first instance, the council approves a new building application, which, as part of your requirement, necessitates the lodging of all the above listed details and reports, etc. The builder is required to build in compliance with the building code and to the details specified and as approved by you. He also is required to produce an indemnity insurance certificate, and under the Builders Licensing Act, takes responsibility for a five year statutory warranty period for defective workmanship and material.

Our concern with the above 'protection' in place as far as councils are involved is your determination that an inspection report is required regardless of the age of the building. Surely you are adding an unnecessary cost to the project, which ultimately finishes up with the consumer having to pay. Also the unnecessary time delays add to the holding costs for the project.

At a time when housing affordability is of major interest and concern, we should all be doing what we can to try and reduce housing costs—not add to them. The association asks that you reconsider your policy in relation to the strata titling of new units where all the associated engineering reports and indemnity insurance have been submitted at the time of seeking council approval to build.

The City of Burnside responded, in part, as follows:

Under the new Strata Titles Act, Parliament, in its wisdom had given council the responsibility for administering aspects of the legislation and, in particular, has said:

> The council may refuse to approve an application if it considers that any building shown in the plan is not structurally sound or is not in good condition.

Our advice is that this imposes a duty of care on the council—a duty which the council cannot treat lightly.

This matter has been considered by the Eastern Region of Councils and the region has recommended that all its constituent councils adopt a policy seeking an independent structural engineer's report prior to considering any application for strata title approval. My understanding is that most, if not all, of the Eastern Region Councils are applying this policy which has also been commended to the Local Government Association.

Because certificates of approval are noted on the plan itself, home owners may rely explicitly on council's performance of its duty of care and—given this—potential liability clearly exists.

I am not unsympathetic to the points raised in your letter. However, Parliament has not seen fit to either:

exempt council from making this determination when applications are received accompanied by engineering reports and indemnity insurance, or

exempt council from liability arising from any claim in relation to non-performance.

I will refer your letter to the Metropolitan Eastern Regional Organisation for further consideration as it is desirable that the issue be addressed on a metropolitan or Statewide basis. However, it appears likely that legislative amendment will be necessary to resolve this matter.

There was a follow-up letter from a firm of solicitors acting for the Housing Industry Association.

It may be that a relatively simple amendment is appropriate. However, it does need some mature reflection, and I would not be keen to see it rushed at this stage of consideration of the Bill. The solicitors state that a regulation could be promulgated along the following lines:

The provisions of section 14 (8) of the Act shall not apply to any building being domestic building work as defined in the Builders Licensing Act 1986 where an application is made in respect of that building within five years of its completion.

I ask the Attorney-General to refer those observations to the appropriate departmental officers. It is probably more appropriate for the issue to be examined by the Department of Local Government, but perhaps the Minister of Housing and Construction could also be involved. If it is possible to deal with the difficulty which has been highlighted, either by regulation or by subsequent legislative amendment, I think that that would be appreciated by developers and local government bodies. However, having said that, on the basis of the very limited area to which this Bill relates, I imitate that the Opposition supports the second reading.

The Hon. C.J. SUMNER (Attorney-General): The letter from the Housing Industry Association solicitors referred to by the honourable member was only received on Tuesday 4 April and has been considered in a preliminary manner only. The assertion that section 14 (8) imposes a duty of care on the council is legally debatable. Section 14 (8) in any event, is not a new provision—it was taken from the strata titles provisions of the Real Property Act which were amended in 1980 at the instigation of Mr Griffin, who was Attorney-General at the time. Preliminary inquiries have not revealed any problems with the old section, so it is difficult to see why there should be problems with the new provision. However, I will have the matter examined and see whether or not any changes are necessary.

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

TAXATION (RECIPROCAL POWERS) BILL

Adjourned debate on second reading.

(Continued from 12 April. Page 2939.)

The Hon. K.T. GRIFFIN: The Opposition supports this Bill, which has been debated extensively in another place. Therefore, I do not intend to deal with it in such detail. The Bill provides for the implementation of an agreement between State and Federal Treasurers, which had its genesis in 1982, at a meeting of Commonwealth, State and Northern Territory Treasurers. That meeting was called to discuss ways in which tax evasion and avoidance—which, of course, extends to stamp duty evasion and avoidance—could be dealt with where it crosses State and Territory borders.

It was agreed at that meeting that each Government had a responsibility to bring to the attention of other Governments information about abuse of that other Government's revenue laws. Following that meeting, a working party was set up to formulate appropriate legislation. The proposals of that working party have resulted in the Bill that is now before us. The Bill follows, to a significant extent, the form of the legislation in New South Wales.

However, I understand that, whilst it does so, there is another form of this legislation. This therefore means that the legislation is not uniform across Australia. However, there is a consistency of purpose in the legislation which has been passed throughout Australia to enable reciprocal action to ensure that State, Territory and Commonwealth revenue laws are not avoided by parties seeking to undertake transactions across State and Territory borders. Notwithstanding that the legislation is not uniform in drafting terms, the spirit is identical.

South Australia is the last Parliament to consider such legislation and, I suppose, to some extent, the reason for the delay is that after the extensive debates on significant amendments to the Stamp Duties Act at the end of 1987 and 1988, in which the Taxation Institute of Australia (South Australian Division) became involved, the State Commissioner of Taxation took up an offer by the Taxation Institute to give advice on a confidential basis to the commission. I welcome that. The Taxation Institute of Australia (South Australian Division), as with other Divisions, is a body of professional people—accountants, lawyers and Government officers, whose objective is to ensure that the tax laws mean what they say they mean and say what they are meant to mean and do not have unintended consequences.

Whilst at the Federal level, there has been for many years a very close relationship between the Federal Taxation Commissioner and his officers and the Taxation Institute at the State level, in South Australia there has not been such a close relationship. This is partly because of the lack of resources available to the State Commissioner, but also because of some reluctance to discuss revenue matters on a confidential basis with professionals who practise in the field.

These professionals can be relied upon to keep confidences—that is part of their professional background—and the use of their expertise should be encouraged. I think that I initiated that when I was Attorney-General. We enacted some substantial matters affecting stamp duties, I think in 1981, when I did involve the then President of the Taxation Institute of South Australia on a confidential basis in advising on draft revenue laws. So there has been consultation on this, and I commend the State Taxation Commissioner for that consultation. I also thank the State Taxation Institute for its assistance. Quite rightly, I have not been privy to any of those discussions, but I do know that that consultation occurred.

The Bill before us enables investigation by interstate Taxation Commissioners or their delegates into matters relating to taxation Acts in their respective States. There are some checks and balances and I see no reason to criticise aspects of the Bill. However, I believe that two matters should be addressed. My amendments, which deal with those matters, are being placed on file. My first amendment relates to clause 8 which deals with general investigatory powers of the South Australian Commissioner. That clause provides that, for the purposes of undertaking an investigation on behalf of an interstate commissioner, a Federal commissioner, or Territory commissioner, the South Australian commissioner may:

(a) require any person . . . to appear before the commissioner at a place in South Australia to answer questions.

So, there is an inquiry and the power is there to require attendance. The commissioner may also require any person to furnish the commissioner with such information as the commissioner requires. I do not think that anyone would

quarrel with that, because clause 10 provides protection against self-incrimination. However, subclause (2) provides:

The commissioner may require the evidence or information to be given on oath or affirmation (administered by the commissioner) or to be verified by statutory declaration.

I do have some misgivings about a public official being given power to administer an oath, but I am not raising that issue at the present time. Subclause (3) provides:

A person appearing before the commissioner . . . is entitled to be paid by the commissioner an allowance equivalent to allowances payable to witnesses in local courts.

This subclause has a number of defects. The first is that it relates only to appearances, whereas subclause (1) relates to appearances and a requirement to furnish information. Secondly, the allowance is only that which may be payable to witnesses in local courts. The witness scale in local courts is not particularly generous and, if a chartered accountant or certified practising accountant is required by the commissioner to appear before him and to answer questions, then, if that questioning takes two or three hours, the commissioner may pay perhaps $70 for the whole period of the appearance, whereas it may have cost the client of the accountant $200, $300 or $400, or even more, for that appearance.

If there is to be an appearance before the commissioner, there ought to be a proper recognition of the cost of doing so. In addition, I think there should be a recognition that a requirement by the commissioner to provide such information as the commissioner requires may involve the client in costs. Perhaps a particular client has never had a profit and loss statement or a balance sheet prepared. In those circumstances, the commissioner may say, 'I want you to prepare these for the past five years', or it may be longer because, if none has ever been prepared, one has to go back to a base or the initial year upon which to construct later accounts. That could cost an absolute fortune and, in the final outcome, it may not justify the expense but, nevertheless, the commissioner can require it.

My amendment, which is being put on file, suggests that a person who has appeared before the commissioner or furnished the commissioner with information is entitled to be paid by the commissioner an allowance fixed by agreement between the commissioner and that person, or by a Master of the Supreme Court; in other words, a taxation by a Master of the Supreme Court of a fair and proper amount. Members must remember that it is a South Australian commissioner who is undertaking this work on behalf of an interstate commissioner—it is not the State commissioner doing it in his own right—in relation to another State or Territory's laws. It is in that context that I think such a provision is reasonable.

It is reasonable for another reason: if the commissioner knows that costs are payable, he or she may well moderate the demands which are being made to those which are reasonably necessary for the purposes of the inquiry. This amendment seeks to ensure reasonableness in the approach of the commissioner and that it does not become an unnecessary burden upon an ordinary citizen.

The other matter to which I refer relates to clause 14, which gives immunity from civil liability. I am always nervous about this question of immunity from civil liability. In this instance, if the South Australian commissioner is exercising powers under delegation and acts honestly in the exercise of powers conferred by this legislation (but acts in the honest but mistaken belief that the act is authorised by this Act), then no civil liability attaches to the Crown in right of South Australia, the commissioner or other person in respect of that Act. As I understand it, that is intended to give immunity to the South Australian commissioner and any person acting for the South Australian commissioner. I understand that it does not extend to providing immunity for another State or Territory commissioner, so I will propose, in order to preserve the South Australian situation, an amendment that the immunity provided does not extend to the Crown in right of any other State or the Commonwealth.

Those two matters should be considered. I understand that at least the first matter was raised in the House of Assembly, so some consideration may have been given to it. However, the second matter has been placed on file by me and arises out of my general concern about immunities from liability. Subject to those two matters, I support the second reading.

Bill read a second time.

STATUTES AMENDMENT (CRIMINAL SITTINGS) BILL

Bill recommitted.

Clauses 1 to 8 passed.

Clause 9—'Committal of defendant for trial or sentence'—reconsidered.

The Hon. C.J. SUMNER: I undertook to discuss this matter with the courts, because the amendment moved by the Hon. Mr Burdett impacts on the courts' operation. The Sheriff has advised that, in his view, the amendment moved by the Hon. Mr Burdett does not serve any useful purpose. However, as the honourable member seems to consider that it ought to be included, I have accepted it. I suppose we will just have to see if it creates any problems. However, if the amendment is to be included, the Sheriff advises that it is not the Registrar but he who is the appropriate person to carry out this task. So, I would suggest that the amendment moved by the Hon. Mr Burdett be amended by deleting the words 'the Registrar' and inserting the words 'the Sheriff'. I therefore move:

That the Hon. Mr Burdett's amendment be amended by striking out 'the Registrar' and inserting 'the Sheriff'.

The Hon. J.C. BURDETT: It serves the same purpose. My only concern was that there ought to be on the public record, so that people could see it—a list of persons who were committed for trial and the offences with which they were charged. I thought it was the Registrar, but it does not worry me who the officer is who does it. Therefore, I am happy to accept the amendment.

Amendment carried; clause as amended passed.

Clause 10 and title passed.

Bill read a third time and passed.

BARLEY MARKETING ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 12 April. Page 2939.)

The Hon. PETER DUNN: The Opposition agrees with the Bill. It is a simple deregulatory provision dealing with the Barley Board. At the moment, if one wishes to purchase barley or negotiate barley privately, one must get a permit from the Barley Board and pay the price that the board deems right for that parcel of barley. Under this Bill one will be able to obtain a permit from the Australian Barley Board and negotiate the price freely between the buyer and the seller. That frees it up a little more. In the past, there was a certain amount of bartering to overcome this problem. Farmers and others have exchanged seed for one reason or

another on a barter basis. This will make them a little more honest in what they are doing.

In 1988, if one wanted to buy barley, one had to pay the Barley Board price. In 1989 one will be able to obtain a permit, at no charge, and negotiate one's own price with one's neighbour. For instance, the barley might be required for feed, which is what fundamentally the barley is used for.

The Bill will also enable maltsters to negotiate a fair price in areas that they know have good quality malting barley. Under the present system, the Barley board can provide the maltsters with the protein, the weight and moisture content and all the specifications which are required to make malt. I suspect that the maltsters will probably continue to purchase barley through that system.

A person who has a piggery or a lot feeding operation can purchase barley from the Barley Board at its price. Nothing is lost there. The Barley Board will be a competitor in the market and will put a ceiling price on it.

The Bill also transfers research funds from the Barley Research Trust Account to the Barley Research Trust Fund. A fairly simple method is used. Quite large sums now go into this account. During the last 10 years, the barley and wheat industries set much larger sums of money aside for research and development. For operational reasons, the name has to be changed from the account to the fund. In the interests of research and more efficient use of the fund, we agree wholeheartedly with the amendments contained in the Bill.

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

MOTOR VEHICLES ACT AMENDMENT BILL

In Committee.

Clauses 1 to 17 passed.

New clause 17a—'Duty to produce licence.'

The Hon. PETER DUNN: I move:

Page 6, after line 18—Insert new clause as follows:

17a. Section 96 of the principal Act is amended by striking out subsection (4) and substituting the following subsection:

(4) In this section—

'driver' includes—

(a) a person sitting next to the holder of a learner's permit in a vehicle being driven by the holder of the permit;

(b) a person being carried as a passenger on, or in a sidecar attached to, a motor cycle being driven by the holder of a learner's permit:

'member of the Police Force' includes—

(a) an inspector;

(b) an inspector as defined in the Road Traffic Act 1961.

This small amendment has its implications. The Bill requires a person who teaches a 16-year-old, who has a learner's permit, to carry a licence. This is impractical. Normally, with a full licence one can produce it within 48 hours. But one is required to carry a licence when teaching a learner. There is an argument for that around the city, but the case in the country is different.

Using my own example, I may be down at the back of my property with my 16-year-old son who has a learner's permit. He may or may not have it with him. Under this Bill he would have to carry his permit with him. If I have to go across to the neighbour's farm, it is a good chance for me to teach my son some driving skills. Because I do not have my licence with me, I have to go all the way back home to pick it up in order to have it with me while I am sitting next to my son while he is driving.

To use another example, I might be share farming in some place a few miles up. I do not have my licence, but my son has his and I want my son to drive. I then have to drive home and get my licence so I can pick up the licence to give him a lesson. It is a bit silly, really.

How does one teach a person to ride a motor bike? If I sit on the pillion seat—and that is no way to teach a person to ride a motor bike—do I have to carry my licence in my pocket? I think it makes a fool of the legislation if I do that. I understand the necessity for professional driving instructors, with a learning school sign displayed on the top of the car and a student in the car, to have their licence, but I do not understand the necessity for a father teaching his son to drive to carry a licence in the bush.

Furthermore, current regulation extends the period in which one has to carry a learner's permit to 12 months. That is a hell of time for a licensed driver accompanying a learner to have to carry a licence when, in normal circumstances, one is given 48 hours to produce a licence. The Bill refers to sidecars on motor bikes. How many motor bikes does one see today with a sidecar?

The Hon. Diana Laidlaw: They are heritage items.

The Hon. PETER DUNN: They are heritage items and would be very valuable. It is ridiculous that for a person to teach his son or daughter he has to put a sidecar on the motor bike. I believe that this amendment is clear. It is not necessary for the average person teaching his son to drive to carry his licence; he can produce it in 48 hours. If I have an accident or commit an offence whilst driving I have to produce my licence within 48 hours. What is the difference if my son is driving with his learner's permit on him? I find it very difficult to understand why a father or mother when teaching their offspring to drive need to carry their driving licence.

The Hon. M.J. ELLIOTT: What is to be achieved by this provision? What is the difference between not requiring a driver to carry a licence when driving himself and requiring him to carry a licence when he sits next to a learner? What is the logical difference between those two situations?

The Hon. C.J. SUMNER: Generally, the police support this proposal as an enforcement mechanism. In fact, I think that the police probably would support the compulsory carrying of drivers' licences by all drivers including those persons accompanying learner drivers. The Government is opposed to this amendment. It believes that the requirement of a person accompanying a learner driver to carry their licence will be of benefit to the police as an enforcement mechanism principally. The question arises not only whether the person accompanying the learner driver is licensed, but also whether that person holds a class of licence appropriate to the vehicle being driven.

A probationary licence holder cannot accompany a learner driver. A pillion passenger on a motor cycle with a learner rider must hold a class 4A or a class 4 licence. At present, a person asked to produce their licence to police has 48 hours in which to do so. This requires police resources to follow up a case where the person does not produce the licence within the specified time and also the checking of motor registration licence records to determine whether the person had a current licence of an appropriate class at the time of accompanying the learner. Compulsory carrying of a licence will enable a police officer to determine at the time of stopping the vehicle whether the person accompanying the learner is appropriately licensed.

So, essentially it is an enforcement mechanism. It is important for the police to be able to determine whether the adult accompanying the learner has an appropriate licence and the most effective and efficient way to do this is

to be able to require production of the licence at the time of the police involvement in the offence.

The Hon. M.J. ELLIOTT: I do not think that the logical difference between the two situations has been explained. If a driver can be required to produce his licence within 48 hours, why logically cannot the person sitting next to a learner driver do exactly the same thing? Whether a driver has the right class of licence is just as true of a driver in any situation as it is of a person who is sitting beside a learner driver—the same logical arguments apply. I do not see any consistency in making an absolute demand on requiring a driver sitting beside a learner to carry his licence and yet not to be required when the driver is driving himself.

The Hon. C.J. SUMNER: It is essentially an enforcement mechanism. I suppose that the distinction is that the adult accompanying the learner has responsibilities to that learner.

The Hon. M.J. Elliott: It is no different from when you are driving yourself.

The Hon. C.J. SUMNER: The driver has slightly greater responsibilities in many respects because he is supposed to be supervising the learner.

The Hon. M.J. Elliott: But the responsibility in terms of carrying the licence is the same.

The Hon. C.J. SUMNER: That may be so. As I said, this proposition is supported by the police, the department and the Minister on the basis that it makes enforcement easier. The only distinction between this and a normal situation is that the adult—the accompanying person—has a responsibility to supervise the learner. In terms of the action of driving the car at that time, they are essentially the same: the learner is driving and the accompanying person is supervising. The learner has to produce his permit and carry it permanently and it seems reasonable in those circumstances for the accompanying person to carry his licence.

The Hon. M.J. ELLIOTT: I had an interesting meeting with the Council for Civil Liberties, an organisation with which the Attorney-General was involved some years ago. We discussed issues about licences having photos, etc.—

The Hon. M.B. Cameron: Freedom of information.

The Hon. M.J. ELLIOTT: Yes, freedom of information and a number of other things were discussed. They said that it was funny how things changed. They mentioned a few people in this place who at one time used to be with them. They said, 'We can see what will happen. First, there will be photos with licences and then there will be the compulsory carrying of a licence.' Step by step, before you know where you are—

The Hon. C.J. Sumner interjecting:

The Hon. M.J. ELLIOTT: I think they were quite relaxed. I see some merit in a general proposal to require people to carry drivers' licences. This is one way of tackling the question of people giving false identities. I know of several people who have had the police arrive at their door, sometimes with a summons, because someone has given a false identity when they have been pulled up.

So, I see the logic in a general sense of compulsorily requiring the carrying of licences but, as will be seen in the amendments which I will propose later, there are real concerns about the potential for abuse of the use of licences which carry photographs because of their high integrity. Until I see the sort of legislation which can overcome the problems associated with that, I will have great difficulty with this proposal. I do not want to see a gradual creep in one direction which was predicted by the Council for Civil Liberties and which I see in this clause. I was willing to explore it to see the logical difference, but I do not believe that a logical difference exists between persons sitting beside a learner and the person driving himself should be treated differently. So, the Democrats support the amendment.

New clause inserted.

Clauses 18 and 19 passed.

New clause 19a—'Insertion of ss. 135b and 135c.'

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

Page 6, after line 39—Insert new clauses as follows:

Insertion of ss. 135b and 135c.

19a. The following sections are inserted after section 135a of the principal Act:

Secrecy

135b. A person who is, or has been, engaged in duties relating to the administration of this Act must not divulge or communicate information relating to any person obtained in the administration of this Act except—

(a) with the consent of the person to whom the information relates;

(b) in the administration or enforcement of this Act or any other Act or law relating to motor vehicles;

(c) to an officer of another State or a Territory of the Commonwealth engaged in the administration or enforcement of any law relating to motor vehicles;

or

(d) as authorised or required by this Act, any regulations under this Act or any law.

Penalty: Division 7 fine.

Production of licence or permit cannot be required without lawful authority.

135c. A person must not, without lawful authority, request the holder of a licence or permit issued under this Act to produce the licence or permit.

Penalty: Division 10 fine.

During the second reading stage, I indicated that I had two amendments to this Bill. I also indicated that the Democrats supported the concept of photographs on drivers' licences; in fact, it has been the policy of our Party for some time. The present driver's licence does not have high integrity.

During the second reading debate, I expressed grave concern about the possible abuses of drivers' licences with photographs. That implies abuses not by the present Government but by some Government in the future. However, this Government has consistently failed to put into place any sort of privacy legislation. The nearest it has got so far is a set of privacy guidelines which can be withdrawn at any time.

The system is open to abuse and it simply needs a person with motivation to do so. For that reason I have moved this amendment to limit the interaction of databases that are held by the Motor Registration Division with other databases, except in certain circumstances such as laws relating to motor vehicles or any other law. It means that drivers' licence information can be linked with other information only by consent of this Parliament, that is, by way of legislation. It is one way of ensuring that there is no abuse of the use of drivers' licences.

Although this Government will not say as much, drivers' licences have the capacity to act as identity cards which are every bit as draconian as, if not more than, the Australia Card which was mooted some time ago and denounced strongly by most members of the Australian public. I urge all members of the Committee to seriously consider this matter and support the amendment.

The Hon. C.J. SUMNER: There is really no connection between the proposal to place photos on drivers' licences and the Hon. Mr Elliott's proposal relating to the provision of information from the Motor Registration Division to other persons. The fact that a driver's licence displays a photograph does not necessarily provoke the response outlined by the honourable member. If that approach had validity, it would be valid irrespective of whether or not drivers' licences had photographs.

The Hon. M.J. Elliott: The high integrity of the licence makes an enormous amount of difference.

The Hon. C.J. SUMNER: I do not think that it makes any difference. The information is contained on the files already and the fact that a licence has a photograph on it does not seem to me to be relevant to the questions that are addressed in this amendment. There is no connection between the two. This may be a principle that is worth supporting but, if so, it is worth supporting irrespective of whether there is a photograph on the licence. The honourable member is trying to insert some privacy principles into the Motor Vehicles Act. I can understand what he is trying to do and, in principle, that has merit. However, if this matter is to be addressed, it should be addressed in a broader manner rather than just picking up individual Acts of Parliament and inserting a clause such as this.

The Government has already put in place administrative guidelines which have been promulgated by Cabinet and which will have to be acted upon by Government departments. The Government has committed funds in this financial year to ensure the implementation of those privacy principles, and an officer has been engaged to work with departments to get those principles in place. As I said, the access to information guidelines and the privacy guidelines have been promulgated, and the access to information aspects of those guidelines will operate from 1 July 1989. It is all very well for the Hon. Mr Elliott to say that they are only guidelines. The reality is that a significant and important step has been taken by the Government which, I believe, has not been taken anywhere else in Australia, except at the national level in connection with the tax file number.

The Government's initiatives in this area, rather than being scoffed at, deserve to be supported fully by members of this place. If a person complains about a breach of privacy and the action of a Government department is contrary to the administrative guidelines established by Cabinet, that citizen has the right to complain to the Ombudsman because the Government agency may be in breach of the guildelines. The jurisdiction of the Ombudsman would therefore be triggered, and he could examine the matter and report on it. This ensures that the principles of access to personal information and the broad principles of privacy that have been promulgated can be implemented throughout the Government sector in a practical, pragmatic and flexible way.

Members should commend the course of action taken by the Government as, over time, Government departments get used to dealing with privacy principles and get their practices and procedures in order to ensure that those principles are observed. Irrespective of what the scoffing Mr Elliott says about it, that is a more sensible way to go. Governments are often criticised, and they have been criticised in the past, for passing legislation which is not implemented because the work cannot be done or the procedures have not been put in place to implement it or, if it is implemented, it is implemented in an inadequate manner. It is one thing to pass legislation and another to change the practices and procedures within the bureaucracy to ensure that the principles that one wants in place are, in fact, being acted on effectively.

The Government's proposal—which is a strength rather than a weakness—has developed privacy principles. They are in place and Government departments will need to amend their procedures to comply with those principles. Resources have been put in to enable that implementation, and the Ombudsman has jurisdiction in any event. That process is important in ensuring that Government departments learn to put into place the necessary procedures. An example of where that approach has worked well is the victims of crime legislation that was introduced in this place. The Government decided that that should be done administratively. Over a period of two years that was the case and in that process we learnt an enormous amount about how those statements should operate because we did not have a legislative prescription for them. We were able to work through it and ensure that the principles were put into effect in a practical way.

Having done that, we were in a position to pass legislation and, then, have those principles enshrined in legislation. Quite frankly (although the Hon. Mr Elliott will probably make one of his scoffing speeches), that is sensible public administration in some areas. One gets the results that one wants not by a big bang but by working through procedures carefully with departments. The Government deserves to be complimented for the action which has put into place resources to enable that to happen. As I said, access to records of procedure will be available from 1 July. A privacy committee also will be appointed shortly to oversee these principles in the Government sector.

This amendment should be considered in the context of those proposals. If the Motor Vehicles Registration Division is not complying with the privacy principles, it will be made to comply as a result of the action that has already been put into place by the Government. It is the sensible way to go about public administration—one actually gets results rather than a lot of talk. That is why the approach adopted by the Government is sustainable. Indeed, it is more than sustainable: it should be commended.

This amendment picks up one Act of Parliament to include privacy principles relating to the issue. It does not look at the issue over the whole area of government. For that reason, and because I believe the approach that I have just outlined is the desirable one, I do not believe that this amendment should be supported at this stage. That is not to say that legislation in this area might not be desirable at some future time. However, the pragmatic, careful way that the Government has gone about addressing this matter deserves the support of honourable members.

The Hon. M.J. ELLIOTT: The Attorney-General will have to concede at least one point: that I am consistent. This amendment, which tackles only one part of the Bill, is necessary because legislation which addressed the whole issue was rejected by this Council. I can accept that, perhaps, people thought there was a better way to go about it. I think the Opposition intimated that legislation is necessary in this area. The Attorney-General knows very well that administrative guidelines are simply that: they can be changed at any time. They offer no protection. Why it becomes particularly necessary in this Bill is that it is a major step forward—or backward, depending on how one looks at it— in terms of the risk of abuse.

Certainly, we already have drivers' licences, but the capacity for abuse of a driver's licence is enhanced greatly by the fact that they carry a photograph because their integrity is much increased. It is only a simple step further to make it compulsory to carry a driver's licence whenever one is driving. At that point we have the capacity to stop a person and demand the licence. The information attached to that licence is not simply motor vehicle registration information: also, at that stage, electronically, one can derive anything from any other Government department that one feels like.

I am not saying that this Government will do that. For this Government, administrative guidelines might be fine, but one can never tell what will happen in the future. There is a saying which suggests that the price of liberty is eternal vigilance. That is what this is all about: it recognises that

there is a potential problem. Some people may say that it is not a real problem, but Germany was a democracy before Hitler came to power. Also, there are other nations, such as Argentina, which have gone from democracy to totalitarianism. Any form of protection that can be offered should be welcomed. Finally, and significantly, although the Attorney-General has attempted to deride this clause, he has not suggested that it will cause any problems. At best, he has argued that he believes it is unnecessary. I believe that he is wrong.

The Hon. PETER DUNN: The Attorney has just taken us for a lovely gambol through the Government's maze of privacy provisions, and I appreciate that. However, he did not demonstrate the disadvantages of this amendment. Perhaps he might like to do that. I am not one for having legislation for legislation's sake, but I do believe in it, if it serves a purpose. I can see no disadvantages in this amendment. If there are any I would appreciate it if the Attorney could explain them.

The Hon. C.J. SUMNER: The Government has dealt with the question of privacy in a comprehensive consistent way throughout the whole of government. At the appropriate time, when these principles have had an opportunity to work, and when we have observed the system and its dealing with privacy principles in public administration—it is all part of the learning process no matter what scheme one is introducing—we can look at whether or not legislation is necessary. My only objection is that the honourable member is picking an Act of Parliament out of a whole plethora of areas where privacy is of concern. I do not think that, given the proposals which are in place (the access to personal information which will operate from 1 July, the privacy principles having been promulgated), it is necessary to put this amendment in this legislation. All the honourable member is doing is picking out one piece of legislation and inserting the clause suggested by the Hon. Mr Elliott.

The Hon. M.J. Elliott interjecting:

The Hon. C.J. SUMNER: Well, I am sure they did. I suppose that if the honourable member took notice of everything the Council for Civil Liberties said he would not have introduced his legislation relating to the Anti-Corruption Commission which was supported by the Hon. Mr Gilfillan.

The Hon. M.J. Elliott: Are they wrong in principle?

The Hon. C.J. SUMNER: I am not saying that they are wrong in principle, I am saying that the Government has already dealt in a practical way with the question of privacy. I have been working on that issue for the past couple of years to put administrative measures in place. Admittedly, that has been done for a purpose, because it enables the system to be changed in government in a flexible way over a period of time with the assistance of an officer and a privacy committee. All that is in place.

My principal objection is that, given that these measures are in place across government as a whole, why should we pick out one Act and insert a clause such as this, when the honourable member could have picked out two, three or four? If that was done with every Act where there are privacy concerns, there would be a whole hotch-potch of different provisions all around government.

What I am saying is that broad principles have been promulgated which are applicable to the whole of Government. Government agencies will have to get their administrative acts and procedures to conform with those guidelines. That is a very sensible way to achieve reform in public administration. If one just concentrates on one Government activity at a time and includes a provision like this, certain undesirable consequences could result. There could be inconsistency and they may not be applicable in the same way in every circumstance.

The Government has set down broad principles which are applicable across the Government sector and which will be monitored by a privacy committee. Resources have been provided in the form of an officer specifically to help agencies get their procedures into place in order to ensure that the privacy principles are complied with. As I said before, it seems a very sensible way to achieve reform in this area.

At some time in the future we can examine whether legislation is necessary. If one does it on a piecemeal basis, one could end up with inconsistencies. I prefer to see the matter dealt with in this way and by applying it in the way the Government has done.

The Hon. PETER DUNN: I understand what the Attorney-General has said, but about 99 out of 100 people drive cars every day. It is somewhat of a beacon. For those reasons, we support the legislation. If the privacy legislation works as the Government says it will, then the Act can be brought back to Parliament for review.

The Hon. Diana Laidlaw interjecting:

The Hon. PETER DUNN: It is not legislation; it is directions. If it works as the Government has indicated it will, there would be no problem with bringing it back and we can review it at that stage. At the moment, I support the new section.

The Hon. DIANA LAIDLAW: Like my colleague the Hon. Mr Dunn, I listened to the Attorney-General with care. His argument was a little hard to follow, because this issue is quite different to issues involved in other Bills. The concerns and format procedures are different to those that will be addressed through his privacy measures. This new section provides that most people who apply for licences will receive a card, which will provide a considerable amount of information about that person, including a photograph. I indicated in my remarks during the second reading debate that I have considerable reservations about the wider use of this card in the community. Further, because of the amount of information provided on the card, there is the temptation for that information to be used more widely in the community. I therefore support wholeheartedly the attempt by the Hon. Mr Elliott to place some safeguards in this legislation. I believe that it is appropriate to single out these concerns in legislative form and I again note my support for the Attorney-General's administrative measures in respect of privacy, but I do not believe that they are adequate in this sense, because we are addressing quite a different subject and use.

The Hon. C.J. SUMNER: It is not a different use. Whether you are dealing with information held in the Motor Vehicles Division, the Police Department or the E&WS, the principles are the same.

New section 135b inserted.

The Hon. M.J. ELLIOTT: I will now speak to the second part of my proposed new section. I understand that the Opposition does not intend to support this proposed new section so, as we have little time left, I will keep my comments brief. There are two ways of addressing the potential abuse of the driver's licence. The first is covered by new section 135b and that is the potential linkage back to the other databases. The other way is to try to define who can demand a licence and for what purpose it can be demanded. Might I also add that I do not believe that this clause is aimed at people in the private sector demanding licences but, rather, at those in the public sector, because that is where the abuse of such a demand would be a very real problem.

Some people have misconstrued what this does and does not say. What is important is that it can only be demanded with lawful authority. It is true that at this stage some people would not be covered by the law as it now stands, and car hire firms would be an example but, as I see it, that problem can be tackled by regulation. Such bodies that need to be able to demand drivers licences can be granted that right by way of regulation. Some people ask about hotels. I keep getting reports about hotels demanding drivers licences. I have been advised of the case of a 25-year-old woman who was refused service in a hotel because she could not produce a drivers licence. She could not do so because she did not have one. That is a rather gross abuse of the demand for a driver's licence. I believe it is important to note that this new section does not stop a person from using a driver's licence as a form of identification if they wished to do so.

For instance, if you go to a bank and they say, 'Can you establish your identity?' and you choose to produce your licence, that is your decision. For that reason, I argue that it is not really a problem in the private sector, where a person may have a legitimate reason to know a person's identity. If a person chooses to use their driver's licence, that is fine. More totalitarian uses are possible in the public sector. A person should have lawful authority to demand a licence and, at this stage, this should be limited to the police. Those areas in the private sector where it is needed, for instance, car firms, can easily be covered by regulation, and that power already exists in the Act.

The Hon. C.J. SUMNER: The Government opposes this amendment.The duty to produce a licence is provided for in certain legislation. Licence holders are required to produce licences to the registrar, the court and the police in certain circumstances. The duty is already specified in the Motor Vehicles Act. It is important to note that the police, for instance, cannot ask for a licence to be produced if it is not in connection with driving a vehicle. Licence holders have no other duty or obligation to produce a licence. No worthwhile purpose would be served by attempting to introduce further legislation. In fact, many licence holders will probably use their licences for ease of identification in a whole range of transactions, and there is no reason why that should not happen if the individual wants to do it.

The other factor is that no new information will be recorded or available from the Motor Registration Division records as a result of introducing photographs on drivers' licences. In fact, no duplicate of the photograph or signature will be held by the division. So, the privacy principles, of which this is another aspect, I suppose, have been addressed, and the question is really whether we are putting into legislation something which is a pious statement.

The other problem is: what if an individual asks the holder of a driver's licence for identification and the holder of the driver's licence shows his licence as the means of identification?

The Hon. M.J. Elliott: That is allowed.

The Hon. C.J. SUMNER: The honourable member says it is allowed. It could give rise to a dispute. In the actual situation of who said what to whom first, it seems to me that the honourable member is introducing legislation which is essentially unenforceable. It is a pious statement.

If you got into the situation where someone said, 'Can you show me some identification?' and the individual said, 'Yes, here is my licence,' and if it became a dispute later, there is not much difference between that and the situation where someone says, 'Can you give us your licence as identification?' The individual who makes that slip and asks for the licence as identification is guilty of an offence. If he says, 'Have you got any identification?' and the person says, 'No' and the person then requesting the identification says, 'What about your driver's licence?' that person is guilty of a criminal offence. Legislature is going to proscribe and make criminal that sort of inadvertent request for identification. That is essentially what is happening. It is impractical. In relation to civil liberties, it is using a pretty heavy hammer to crack a pretty small nut. In any event it would be difficult to prove and, basically, it means that the honourable member is inserting something in the legislation that is nothing more than a pious statement.

The Hon. PETER DUNN: For the reasons put forward by the Attorney-General, I think that is clear. The first one that we passed deals with a situation where somebody removes the licence from the person who owns it and gives it to a third person. That is not acceptable. In this case we are dealing with the first and second person. If I ask the Attorney for his licence, he has every right to refuse. In the same way, if I ask him to pay me with a cheque, he can say no, and pay me in cash. We should have that right. Therefore, for the reasons advanced by the Attorney, I do not support the amendment.

The Hon. M.J. ELLIOTT: I shall not pursue this any further. I have already had an indication that the amendment is not supported. There have been some misunderstandings. I thought that I had covered some of them when I spoke. I also explained that my concern is not about two private citizens going about their business.

The Hon. C.J. Sumner: That comes into it.

The Hon. M.J. ELLIOTT: That is not my concern.

The Hon. C.J. Sumner: You are covering it.

The Hon. M.J. ELLIOTT: In the real world, I do not believe that there is a problem. As the Attorney said, it would be unprovable in the dealings in which they were involved. However, it would pick up the sort of things that I mentioned. I have no intention of dividing, should I lose the amendment.

New section 135c negatived.

Clause 20—'Power to require production of licence, etc.'

The Hon. DIANA LAIDLAW: I addressed a number of questions to the Attorney when speaking in the second reading debate in regard to organ donors. The Attorney did not reply to those questions and concerns when summing up the second reading debate.

Briefly, I will outline the problem again and ask whether he is able or prepared to answer on this occasion. I do so with more conviction than when I last spoke, following an article in today's *Advertiser* entitled 'Kidney supply can't match transplant need'. The Director of the Renal Unit at the Queen Elizabeth Hospital, Dr Tim Mathew, says:

> The number of patients waiting for kidney transplants in South Australia is far greater than the number of kidneys donated. The number of kidney patients has risen from 100 two years ago to 110 at the current time. In that time patients have received transplants while others have joined the waiting list. While the situation is comparable to other States, with the National Organ Exchange Scheme helping the transport program, we would like to see more donors.

I strongly endorse Dr Mathew's sentiments. The Kidney Foundation and the renal units in this State believe that the most effective way of increasing the number of donors is to go beyond the present system used in South Australia. At the moment people seeking to apply for or renew their licences tick the information on the back of the paper licence, yet nothing further is done with that information.

I understand that the Kidney Foundation and the renal units have been to see the Minister and the Motor Vehicle Registration Department and sought their cooperation in having information about people prepared to donate organs incorporated with other information that is included on the

original application or renewal of the licence and that accredited people should have access to that information.

The trouble is that nobody knows whether there are 10 people who have ticked the back of their licence indicating that they are prepared to be organ donors or whether there are 110 or 1 010. The system is useless. The system proposed by the Minister relating to the new motor vehicle licence will be equally useless because it will have a little coloured sticker on it. Victoria has such a system. It has been proven over time that the coloured sticker rubs off in some instances. Again, even if it is there, nobody knows how many potential donors there are in the community.

New South Wales has the system to which I have referred, where information about potential donors is incorporated in computer records and a few accredited people have access to that information.

I should like to know from the Attorney why the approaches of the Kidney Foundation and the renal units have been rejected when we are seeing major changes in the issuing of licences. Are there any plans in the near future to have a more acceptable and effective system of advice regarding people who are prepared to donate organs?

The Hon. C.J. SUMNER: The Motor Registration Division provides to licence holders a sticker that can be placed on the licence indicating that they are organ donors. If they wish, they can have it placed on the licence before it is sealed so that the problem of rubbing off is overcome.

As regards the other proposition, that will be examined by the Motor Registration Division in consultation with the people who made the representations. However, I am advised that there is likely to be a substantial cost involved as the data programs will have to be changed to facilitate the request. It will be examined, but I am advised that we must warn that substantial cost is involved in the proposal. Before any final decision is made, there will be discussions with the groups which have made representations.

The Hon. Diana Laidlaw: Can you tell me what you mean by 'substantial cost'?

The Hon. C.J. SUMNER: No.

The Hon. Diana Laidlaw: Not enough to see that the system does not go ahead.

Clause passed.

Clause 18—'Duty to carry licence when teaching holder of learner's permit to drive'—reconsidered.

The Hon. PETER DUNN: I move:

Page 6, lines 22 to 28—
Leave out subsection (1) of new section 98aa.

This amendment is consequential on the insertion of new clause 17a.

Amendment carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

CLEAN AIR ACT AMENDMENT BILL

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Insertion of Part IIIA.'

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

Page 2—
Line 30—Leave out 'will' and insert 'may, in any of the following circumstances,'.
Line 33—After 'disposed of' insert as follows:

(a) if the person furnishes the Minister with a sufficiently detailed and viable plan or commitment to phase out the prescribed substance from the person's enterprise within a period of five years;

(b) if the person satisfies the Minister that the enterprise is so conducted, or will within a period of five years be so conducted, that escape of the prescribed substance into the atmosphere is, or will be, negligible; or

(c) if, in the opinion of the Minister, the manufacture, use, storage or sale of the prescribed substance is essential for health or safety reasons and there is no reasonably viable alternative substance that could be substituted.

This amendment gets to the heart of concerns that people have in relation to this issue. By introducing this legislation some two years after I introduced a Bill which worked in an identical fashion, the Government has acknowledged that there is a problem with chlorofluorocarbons, and certain other substances which are harmful to the ozone layer. At this stage, the State Government is following a lead of the Federal Government on the question of ozone. The Federal Government's attitude is based largely on what is known as the Montreal Protocol.

In relation to the Montreal Protocol, it was the first time at an international level that a large group of scientists came to a collective recognition that this problem appeared to be very real. The Montreal Protocol required that CFCs be phased out and allowed a relatively long phase-out period. It was not all that long after the Montreal Protocol was accepted that new scientific evidence came forth, and has continued to come forth since, suggesting that the Montreal Protocol was not strong enough and that the phase-out period needed to be more rapid.

The sorts of people who are saying this are groups such as NASA and the Environmental Protection Agency in the United States. The European Parliament has acknowledged that there is a need for a much more rapid phase-out period than provided for by the Montreal Protocol. Unfortunately, our Federal Government, as it has now structured its legislation, is looking at a phase-out period which is only marginally faster than the Montreal Protocol in terms of domestic consumption.

When one considers that Australians are the largest consumers of chlorofluorocarbons per head of population in the world, although we are a relatively small country we must set an example. There is no way known that we can ask Third World countries to tackle the question of reduction of the usage of CFCs and other substances which damage the ozone layer unless we set an example. By this amendment and the other amendments which I will move, I am attempting to get some sort of commitment—not a vague commitment that we will phase out some time in the future. There is a commitment to do this, but no real timeframe operates. I am attempting to insert a timeframe which is realistic in the light of the best available scientific evidence at this time.

I suggest by my amendments that, first, before a person can be granted any form of exemption, it is reasonable that the person furnishes a sufficiently detailed and viable plan or commitment to phase out the prescribed substances from his enterprise within a period of five years. A person must satisfy the Minister that his enterprise will be so conducted in this period of five years that the escape of the prescribed substances into the atmosphere is or will be negligible. Secondly, as long as people who are using CFCs in large refrigeration equipment can give some sort of guarantee that that equipment will be properly maintained there is no reason why they cannot continue to use it. The CFCs themselves are not the problem: it is the potential for escape.

There will also be some industrial applications where CFCs may be claimed to be the only possible substance to do a particular job at this stage. We will accept that, as long as certain protocols are set up in the way that these businesses are operated to ensure that CFCs are contained and do not escape—with, once again, a commitment to do something about that within five years.

Finally, the Minister could have an option to grant an exemption to this timeframe on important grounds relating to health or safety reasons; for instance, in the case of certain asthma sprays which are propelled by CFCs. If there is no reasonable, viable alternative in such cases, who would suggest that this relatively minor use in terms of quantity should not continue? Similarly, some ozone depleting substances may be used in small quantities for other safety reasons whereby an exemption of a greater period could be contemplated.

The Hon. C.J. SUMNER: The Government opposes this amendment. A person conducting a business should be assured of some certainty in relation to this matter—at least to know where they stand under the law. Under the provisions of this Bill the Minister may impose conditions of exemption which would deal with the question of CFCs and the way that a business might use or waste CFCs into the atmosphere. The Government does not believe that this amendment ought to be accepted for the reason that there needs to be some degree of certainty. The Minister can grant an exemption subject to conditions which give sufficient or necessary controls.

The Hon. J.C. IRWIN: The Opposition opposes this amendment for much the same reasons given by the Attorney.

The Hon. M.J. ELLIOTT: I must express some concern. It is quite clear to me that, probably due to the load that some people are carrying, there has not been sufficient opportunity to look at what this clause implies. It is an extremely irresponsible attitude of the Government not to make a very firm commitment to phase out these substances as rapidly as is reasonably possible. A five year phase-out period is, I argue, a very reasonable time-frame, especially when we look at places such as Scandinavia and the United States which are looking at something far more rapid.

[*Sitting suspended from 6.3 to 7.45 p.m.*]

The Hon. M.J. ELLIOTT: Before the dinner adjournment, I was expressing some concern that the Opposition and, possibly, the Government have not given a great deal of consideration to this matter and its implications. The point that I am trying to make is that it is all very well to say that we have a policy to phase out CFCs and other substances which can damage the ozone layer, but this Bill gives no indication of any sort of timetable. The Government is tending to follow the Federal Government's lead, which is to follow the Montreal Protocol and, as I have already indicated, most reputable scientists in this area have said that the Montreal Protocol is clearly insufficient.

In addition, Australia is the largest user of chlorofluorocarbons per capita in the world. If we do not take hard decisions, there is no way known that we can turn to the developing nations such as China and tell them that they should not use CFCs. Australia currently uses more CFCs than China. However, as that country's standard of living rises, it has an expectation that it will use more. We are talking about phasing out slowly. We must set the example, and I am afraid that the sort of talk that I have heard so far about the phase-out time has been irresponsible. Given that the Government appears to be unwilling to accept this sort of amendment suggests that it is looking at a slow phase-out period. All I can say is that, by continuing to oppose this amendment, it is demonstrating its irresponsibility.

The Hon. I. GILFILLAN: It is with some regret that I rise to speak about the apparent attitude of the Government and the Opposition to this amendment. I dare say that there is a tendency not to rock the boat, and on many issues Governments and politicians ride a more comfortable track, which is probably a natural instinct. Politicians express certain goals and motives and yet, when it comes to implementing them, they are taken at a fairly easy pace, partly not to upset voters and partly to make life a little easier for themselves. Indeed, with many reforms, a more moderate introduction does have its advantages.

However, this issue is not one of not rocking the boat but rather whether we will have a boat to rock. I do not think that any issue has so galvanised the consciousness of the general public to the fact that we have a finite and vulnerable environment than the issue of the greenhouse effect and its sister concern, the depletion of the ozone layer. Many members of this place have spent some time articulating serious concern about the effect of CFCs and the greenhouse effect on the environmental fragility of the world.

My colleague, the Hon. Mr Elliott, has very eloquently expressed the Democrats' concern on this and other matters. He has frequently raised the issue in this House and regularly makes efforts to get media attention for it. At long last he has seen some verbal response from the Government. From time to time the Hon. Dr Hopgood makes quite powerful expressions of concern. However, it is very neat and tidy for the Attorney-General now to play verbal games. The issue is of mammoth proportions; it is of crisis timing. The Labor Party has parroted on about what a wonderful vanguard it has led as legislators in South Australia. However, this State will lag behind because of ineptness, inertness and indifference to the major issue that is confronting the world today. The Labor Party should hang its head in shame and so should the Opposition if it cannot see that it is time for that Party to hit the front in environmental responsibility.

The Democrats here are two small voices—it is not often that we describe ourselves as small voices, but our numbers here are small—but, from time to time we make very valuable contributions to this place and we have a lot to say on various issues, concentrating on many of the environmental issues that have arisen. This is a focal point for a positive step—a positive lead—given by this Parliament. What do I hear? I hear benign platitudes; the fact that it might be a bit uncomfortable; that there are great things being done but we do not understand; that the Government is trying hard but the Democrats are not giving it credit for what it is doing.

My colleague has articulated very succinctly a practical step. It may impose minor inconvenience, but God knows the world will have to endure more than minor inconvenience if we do not change the way we are running this place. This is a first and clear example that this State can give to the nation that we are alert to the dangers and we are prepared to take, at least, one brave step. I am sure there are many, many members in the Labor Party—maybe not those who are speaking on this issue—who would dearly love to see this Government up front as a pacesetter in the control of the use of CFCs in Australia. However, what do we get? We get the Government of convenience and comfort; the 'let's take the easy, gentle, not too boat-rocking role'. Well, if the Government wants to be re-elected and to have a reputation as a great Government, then it should break new ground. The Attorney is very tritely sitting back and having a verbal exchange—he does that very well. But, let us move this issue into a different dimension: what sort of world will there be in another 30, 40 or 50 years if we do not set the pace?

It would be criminal neglect if this Parliament forgoes the opportunity that it has now before it to reflect to the world—not only the people of this State—that we care. The protocol of Montreal was a pacesetter. It was the first time in history that there has been such a united stand taken by the scientists of the world. It is recognised that the timeframe is much too slow, but it broke the ice—the world was united in one cause. The Australian Democrats are giving this Council factual, up-to-date information. The Montreal Protocol is now out of date. But, what is the reaction in this place? 'Let's not rock the boat,' 'let's not upset anyone too much,' or 'we have much more important things to be concerned about and we do not want to find ourselves too far out in front and embarrassed by it.' There will not be too much honour and glory in being back with the ruck when we suffer the effects of a magnified greenhouse effect and the depleted ozone layer.

I plead with this Council: we have this opportunity to introduce a parliamentary initiative to show that we do care and are prepared to take a positive step forward. I urge this Council to pass the amendment moved by my colleague so that this legislation has some significance and effect. It is a major issue; it is a significant step that we can take. I think that we will all be grossly ashamed in the years ahead when we recognise and remember that we had an opportunity to make a mark tonight. Do not let it slip because of indifference, apathy or laziness. I urge the Committee to support the amendment.

The Hon. C.J. SUMNER: That, of course, is the Democrats' usual position on these matters. They are able to take what they consider to be a principle stand without any consideration of the practical effect of their position and how one can actually go about achieving change and the desired end result. The fact is that the Minister for Environment and Planning (Hon. Dr Hopgood) made very early announcements about the problems of the greenhouse effect on the ozone layer.

The Hon. I. Gilfillan: How early?

The Hon. C.J. SUMNER: He was very early in alerting the public of South Australia to the problems. Since then, he has taken an active role in trying to ensure that legislation and attitudes are put in place to deal with the issue, which everyone recognises as being a serious issue.

The Hon. M.J. Elliott interjecting:

The Hon. C.J. SUMNER: The fact of the matter is, if the honourable member wishes to interject, that the Hon. Dr Hopgood has taken an enormous number of important initiatives in the area of environment in this State. All I am saying is that he recognised the problem and outlined it publicly well before it became fashionable. He is now trying to deal with this difficult problem which we have in South Australia, Australia and the world. Of course, he is dealing with it on a national basis—attempting to ensure that throughout Australia we get to a common position that is acceptable and achieves the end that the Democrats want.

The Minister for Environment and Planning has already indicated that the Australian Environment Council will, in the near future, issue a national policy for the phasing out of CFCs, and South Australia is participating in the preparation of that policy. So, discussion is already occurring about the appropriate timeframe which can be achieved realistically—and I do not only mean realistically in practical or technical terms, but realistically as far as the community and economy is concerned. This policy is expected to include phase-out times for CFCs that are currently used in a variety of products.

So, we will have the basic legislation in place once it passes the Parliament. We will then continue to work nationally to get to a position that we all desire—which is the phasing out of CFCs—and we must do it, of course, in Australia and in the international context as well. The matters that have been discussed today will be addressed in the national policy. The Bill provides the powers to adopt recommendations contained in that policy and any other matters that the Ministers find necessary to include.

The issues included in the Democrats' amendment certainly deserve consideration, but for the moment the Government cannot accept them. The issues will be subject to further discussion and debate—and that will occur not only in South Australia. It is easy to run a line around South Australia and say that it is leading the world.

Members interjecting:

The CHAIRMAN: Order!

The Hon. C.J. SUMNER: This State has, in fact, over many years, been at the forefront of environmental issues and change in this State.

The Hon. M.J. Elliott interjecting:

The Hon. C.J. SUMNER: I can go back over 10 years and cite things like the national parks policy, the deposit on beverage containers—

The Hon. M.J. Elliott: The parks are losing species because they are under-staffed.

The CHAIRMAN: Order!

The Hon. C.J. SUMNER: I am saying historically, looking back over the period of the past decade or so. The reality is that South Australia has led Australia on a number of environmental issues. But no-one wants to get hung up on a State's rights ego in this matter or in any other matter. The fact is that we have to work constructively to get to a certain result.

That is what the Government wants to do and that is why this Bill has been introduced. That is also why we oppose this amendment. We will look at time-limits on a national basis and, if we can take the community with us, and indeed the whole Australian community, surely that is the most desirable position.

The Hon. J.C. IRWIN: I would like to respond briefly to the contribution made by the Hon. Mr Gilfillan on behalf of the Democrats. We appreciate the genuine concerns expressed by the Democrats and acknowledge that they have expressed those sentiments not only today but also for some time now. I think that the Attorney-General has covered some of the points, but I believe that we are moving, albeit slowly for the Democrats, in the right direction.

The Hon. I. Gilfillan: It is the world—not just the Democrats.

The Hon. J.C. IRWIN: That's right, but I am taking it into this sphere here at the moment. We are moving in the right direction before most other States. I am certain that the ministerial councils which are set up to deal with this sort of thing will look at this issue, as they already have, on a broad basis and try to coordinate the States in implementing legislation such as this, and probably taking that legislation even further.

I can understand how the Hon. Mr Gilfillan feels because, in the three years I have been in this place, I have been in the same position when the Opposition, or for that matter the Government, has raised emotional issues. I do not believe that the Opposition is adopting a stance of not upsetting the boat. Members on this side have to address the real issues and what is happening on this planet and to the people who live on it, especially those in South Australia. If we seriously want to address the problems associated with the greenhouse effect, we should start to act today.

Now is the time to relocate those people who live in low lying coastal areas because, if the greenhouse effect causes

those low lying areas to be inundated with water, 20 or 30 years hence people will ask why those houses were not moved. It is obvious that, during the past 30 years, and certainly in the latter half of my lifetime, there have been rapid advances in science.

In the early days everyone thought that asbestos was quite safe. It produced very cheap housing, but we have now discovered that it has a detrimental effect on health. We have to balance advances against the detrimental effects. These checks and balances must be undertaken in almost every area. I suppose I could ask the Democrats what we are doing about nuclear power. There is no doubt that the world is running out of the very fuel that is needed in coal-fired power stations. Oil and natural non-recurring resources are running out. We must ask ourselves why large areas of Europe, America and some other parts of the world use enormous amounts of nuclear power. The simple answer is that they do not have other resources to fuel their power stations. It is all very well for us to comment, but we have a lot of natural resources and we must be aware of what the rest of the world is doing.

It is all very well for the Democrats; they do not have to govern or present the views of a major Opposition Party. We have to consider not only electorally popular points of view but also what is right and what can actually be achieved. The withdrawal of all power, propellants and chemicals would be the right thing to do now, but people would not accept such an action. Obviously, Governments know they must come to terms with that. I support what the Attorney has said. We do not accept the amendment.

The Hon. M.J. ELLIOTT: I will keep this brief because we do not have the numbers. By way of interjection, the Attorney-General mentioned the Club of Rome. It is an interjection I have heard from him before. It is an indication from him that he has heard once before someone cry 'wolf' and, having heard that, if he ever hears it again, he will not listen. I understand that viewpoint but what he is really suggesting, at least to my mind, is that he has shut off his mind and dismissed the possibility that we are facing something which is real. I am aware of that.

When I first studied this issue some years ago, I asked people, 'Are we crying wolf?' We are quoting a much wider spread of people than even those involved in the Club of Rome. In this case, we are talking about groups such as NASA, EPA, and CSIRO. We are not talking about some sort of fringe group of people—and that is not knocking some of the fringe groups involved in these issues. It is mainstream people who are saying these things and making these warnings. It is not just me—I am simply echoing the concerns. It is incredibly arrogant, when you realise that we live in a test tube, for a politician to willingly dismiss what the scientific experts are saying. It is one thing to look at a test tube from outside to see what happens in it, but we are living in the damm thing!

What is happening to the ozone layer? What is happening in terms of the greenhouse effect is happening to the whole planet. We are not observers from another place who can say, 'Gee, isn't it terrible! We will make sure that we do not do it to ourselves.' We are sitting in it while it is happening. At the moment, CFCs are increasing in the atmosphere at the rate of about 10 per cent per annum. It takes about four or five years for them to reach the upper atmosphere, so we are sitting on a potential time bomb. Do we have to wait for it to get worse before we act? If it does become worse, that will continue for another couple of decades because of what is present in the lower atmosphere. Those are the facts.

It is incredible arrogance to be so willing to dismiss that sort of thing. So far the Attorney has not, in any meaningful way, looked at the practical effects of this amendment. I am disappointed that Opposition members have not done so either, but I will not pursue that further because, quite clearly, their minds are closed.

The Hon. C.J. SUMNER: The honourable member seems determined to keep this debate going, by using terms such as 'arrogance' in relation to scientific opinion. The Government is not arrogant about scientific opinion. I reject that. It is a ridiculous proposition. We have dealt with the matter sensibly. I have already explained that the Minister for Environment and Planning addressed this issue publicly before anyone else and before it became fashionable, even for the Democrats. Dr Hopgood discussed this issue before it became fashionable.

Of course we are taking into account and considering the scientific evidence and expertise in this area. That is why the legislation is before Parliament. What we are talking about is how you get to a certain end, and we must have to get to the end of phasing out CFCs and probably do a number of other things with respect to the greenhouse effect. We must phase out CFCs and perhaps bring in some other option in respect of consumer goods.

The Hon. M.J. Elliott interjecting:

The Hon. C.J. SUMNER: Maybe you use more energy. We must ensure that the action being taken today is in the long-term. If it is approached in a careful and practical way with the end result in mind, what we achieve will be satisfactory to all.

The Hon. M.J. Elliott interjecting:

The Hon. C.J. SUMNER: Maybe. In fact, we will get to a point as a nation where CFCs are phased out. We are going about that process on a national basis at present. To suggest that we have ignored the evidence or that we are arrogant is just ridiculous.

The Committee divided on the amendment:

Ayes (2)—The Hons. M.J. Elliott (teller) and I. Gilfillan.

Noes (16)—The Hons M.B. Cameron, T. Crothers, L.H. Davis, Peter Dunn, M.S. Feleppa, K.T. Griffin, J.C. Irwin, Diana Laidlaw, Anne Levy, R.I. Lucas, Carolyn Pickles, T.G. Roberts, J.F. Stefani, C.J. Sumner (teller), G. Weatherill, and Barbara Wiese.

Majority of 14 for the Noes.

Amendment thus negatived.

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

Page 2, line 35—After 'period,' insert 'not exceeding two years,'.

I shall be more than entertained by the response of the Attorney-General if he rejects this amendment, because it will be inconsistent with what the Federal Government has said that it will do. The consequence of passing this amendment would be that no exemption could be granted for more than two years. Of course, there can be subsequent exemptions, but it means that the Government will need to review them and it will not be able to make long exemptions. As I said, that would be consistent with what the Federal Government says that it will do. It has been talking about conducting reviews every two years and deciding whether it will change the amount of CFCs which are allowed to be used. The Federal Government's approach is aimed mainly at production; this Bill is directed more to the use and consumption of CFCs.

The amendment should be supported on two grounds. First, it forces the Government to review exemptions every two years. As most people concede that this is a serious matter—those who do not concede that it is serious must concede that it is potentially serious—not to reassess the

position regularly would be irresponsible. That is what the Federal Government has said it will do. To grant exemptions longer than the Federal Government's supposed reassessment period would be ludicrous and inconsistent.

The Hon. C.J. SUMNER: The Government opposes the amendment. The issues have been addressed in the debate on the previous amendment.

The Hon. M.J. Elliott: It is quite different.

The Hon. C.J. SUMNER: The principles are similar. Even the Hon. Mr Elliott ought to be able to comprehend that. We are talking about similar issues.

The Hon. M.J. Elliott: Who wrote this for you?

The Hon. C.J. SUMNER: No-one. I make my own speeches. That is an inane interjection by the Hon. Mr Elliott—'Who wrote this for you?' You are the prince—

The CHAIRMAN: Order! Honourable members should confine themselves to the Bill and the amendment.

Amendment negatived.

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

Page 3, line 2—After '*Gazette*' insert 'and in a newspaper circulating generally throughout the State'.

This gives the Government an opportunity to inform the public about what it is doing on the matter of exemptions and the use of CFCs and other substances which damage the ozone layer.

The Hon. C.J. SUMNER: The Government opposes this amendment. The recognised vehicle for conveying this type of information is the *Government Gazette* and we believe that it is appropriate in this case.

Amendment negatived.

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

Page 4—

Line 19—After 'substance' insert ', or of products the manufacture of which involves the use of a prescribed substance.'.

After line 19—Insert subclauses as follows:

(2) A person who uses a prescribed substance in the course of providing a service of cleaning, servicing, maintaining or repairing goods must give notice of that fact in accordance with the regulations to persons to whom the service is offered or provided.

(3) Without limiting the generality of subsections (1) and (2), the regulations must require—

(a) that a label referred to in subsection (1) contain information to the effect that the product contains, or was manufactured using, a specified prescribed substance;

(b) that a notice referred to in subsection (2) contain information to the effect that a specified prescribed substance is used in the course of the provision of the service.

New section 30h fails to address all uses of chlorofluorocarbons. This clause as drafted refers to products that contain CFCs, yet quite a few manufactured products are subject to the use of CFCs in the manufacturing process, although CFCs may not be contained in the item sold: they are used during production. For example, I believe that CFCs are used in drycleaning, yet the clothes, when returned, do not contain CFCs. People want to know not just that the products themselves contain CFCs but also whether CFCs have been used during manufacture or during treatment in any way.

The Hon. J.C. IRWIN: For my benefit, can the Hon. Mr Elliott link the second part of his amendment to the first part?

The Hon. M.J. ELLIOTT: The draftsperson has tried to handle a couple of different but related concepts here. The first is where a substance has been used in the manufacture of an item and the second where it has been used in what may not be manufacturing but some form of servicing or processing—for instance drycleaning. The same type of problem is caused by CFCs being used in both processes—one in manufacturing and the other in some other form of treatment. Therefore, although they seem to be two unrelated matters, they are of the same type. The current definition is clearly too narrow and probably picks up, at best, only half of the use of ozone depleting substances. As such it is inadequate.

The Hon. C.J. SUMNER: The question of labelling to indicate use is being addressed by the Australian Environment Council National Policy Working Group, with the aim of having Australia-wide uniformity. The section contained in the Government's Bill does allow for regulations that there should be labelling in accordance with those regulations, so that the manufacturer of products containing a prescribed substance must label those products in accordance with the regulations. That, I understand, is not a position that exists even in other States of Australia, but it will exist if this Bill is passed in South Australia.

We have had representations from, for instance, the Asthma Foundation requesting exemption from labelling on the grounds of disadvantage for asthma sufferers who use small aerosol sprays. If members pass this Bill, those sprays will need to have labelling saying that they contain prescribed substances. Whether that will achieve anything in terms of the reduction of CFCs and the depletion of the ozone layer must be open to doubt. The fact that labelling is to be controlled allows each case to be examined on its merits which, surely, is the most appropriate way to go. Small businesses will be able to be treated on their merits. It may be that they are involved with a product which does not have a great effect in terms of the release of CFCs into the atmosphere, because there is no major release.

That can be treated on its merits compared with another product where there may be a substantial problem. Surely, there is a case for some flexibility, for a case by case approach to this topic, keeping in mind, as I said before, the ultimate objective.

The Hon. M.J. ELLIOTT: The Attorney really has missed the point. What this clause says is that regulations are set. The Government makes a decision as to what products do and do not have labelling. The fact is that many products are made by using CFCs but they do not actually contain them. That cannot even be picked up the way the provision is currently phrased. I have not taken away the Government's power to decide whether or not it is worth labelling something. In fact, as it stands, one can do it with asthma sprays or not and, as it is amended, one can still do it with asthma sprays or not.

I have not said that the Government must require that every product be labelled: I have pointed out that more than half of the products involved with CFCs will not be picked up because of the way the Bill has been drafted.

Amendments negatived; clause passed.

Remaining clauses (5 to 7), schedule and title passed.

Bill reported without amendment.

Bill recommitted.

Clause 4—'Insertion of Part IIIA'—reconsidered.

The Hon. M.B. CAMERON: When the Committee last met the Hon. Mr Elliott moved an amendment to line 35 to insert after 'period' the words 'not exceeding two years'. Whilst I was having discussions with the Hon. Mr Elliott, you, Sir, in your new efficient role managed to get it through without my getting back to my seat. I ask the Committee to reconsider the amendment moved by the Hon. Mr Elliott as it seems to insert a reasonable provision in the Bill. I do not believe that it will be excessive. After discussions with Parliamentary Counsel and other people I understand that in many cases, there will be reviews of the industries involved every 12 months. To ensure that those reviews take place

within a reasonable time, we will support the amendment moved by the Hon. Mr Elliott. It is not a draconian measure and one that should occur in the normal course of events.

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

Page 4, line 35—After 'period,' insert 'not exceeding two years,'.

Amendment carried; clause as amended passed.

Bill read a third time and passed.

MOTOR VEHICLES ACT AMENDMENT BILL (No. 2)

In Committee.

Clauses 1 to 3 passed.

[*Sitting suspended from 8.43 to 9.40 p.m.*]

New clause 3a—'Learners permits.'

The Hon. I. GILFILLAN: I move:

Page 1, after line 16—Insert new clause as follows:

Learner's permits

3a. Section 75a of the principal Act is amended by inserting after subsection (30) the following subsections:

(3d) Where, in the opinion of the Registrar—

(a) the only reasonable means that the holder of a learner's permit has of travelling to and from his or her place of employment or a school or other institution that he or she attends as a student is by driving a motor vehicle in contravention of the condition referred to in subsection (3) *(d)* (i);

or

(b) the holder of the learner's permit needs the ability to drive a vehicle in contravention of that condition for the purposes of his or her employment,

the Registrar may vary that condition to enable the holder of the permit to drive a motor vehicle without a passenger for that purpose.

(3e) The Registrar must not vary a condition under subsection (3d) unless the holder of the learner's permit has produced to the Registrar a certificate signed by an authorised examiner certifying that the permit holder has passed a practical driving test conducted by that examiner.

(3f) The powers conferred by subsection (3d) may be exercised by a member of the police force under delegation which may be conditional or unconditional and which may be varied or revoked by the Registrar at any time.

This amendment provides a simple procedure for a permit which would apply for the 16-year-old caught in the gap which this legislation creates between what would normally be the granting of the P plate and the person reaching the 17th birthday. There has been some indecision about the validity of the survey done by the Road Safety Division whose figures indicated that 16-year-old drivers were involved in a considerably higher percentage of accidents than drivers of 17 and 18 years. It was on that basis that the argument was put for introducing the Bill. There was questioning of the survey by the RAA which had Australian Bureau of Statistics figures which were interpreted in an almost opposite manner.

I have now had a conference with two representatives of the RAA, Mr Chris Thomson and Mr Ian Pearce, with two representatives from the Road Safety Division, Mr Ivan Lees, the Director, and Peter O'Connor, senior project officer, and both the Minister and I were present. I am satisfied that there has been some misunderstanding about what occurred.

Overnight, the RAA considered this survey which, for the information of honourable members, has virtually all been read into *Hansard*. Because it had some other queries this morning, the RAA contacted the Australian Bureau of Statistics in South Australia to get its opinion. During the day, doubts were cast about several matters in the survey. I persisted in getting this resolved before we dealt with the Bill and I can now state categorically to the Committee, by first-hand information given to me, that the Australian Bureau of Statistics recognises the validity of the Road Safety Division survey. It has no quibble with its general findings, nor the significance or interpretation of it, although it is concerned about some minor matters of what I would call analytical accuracy as to how the question would draw out the information wanted by the Road Safety Division. However, neither the bureau nor I have any doubt that the overall effect of the survey as interpreted is right.

On that basis, no-one who cares seriously about road safety can ignore the figures, and the measure introduced by the Government is a sensible reaction to those statistics. However, my amendment seeks to recognise that probably hundreds of 16-year-olds will be caught in limbo—not being able to drive to work, get a job that requires them to be able to drive, or drive to a course of education. All of those circumstances could impose extraordinary penalties on individuals as a result of the restriction of only being able to drive with a licensed adult on board. My amendment seeks to allow a very tightly controlled permit structure to recognise those difficulties and to allow those 16-year-olds to be exempt only for the purposes that I have outlined.

The Hon. C.J. SUMNER: The Government opposes this amendment if for no other reason than it would be incredibly impractical to work. It really introduces a very difficult concept in terms of the enforcement of any legislation. It provides that a person over 16 years who has a learners permit will continue to have that permit for 12 months. However, if in the meantime that person passes the practical test he or she does not have to have an accompanying licensed person.

The Hon. I. Gilfillan: For certain purposes.

The Hon. C.J. SUMNER: Yes, and that makes it worse because it is a question of how such a provision is enforced. It is an exemption that has so many parts to it that, in terms of the practical enforcement of the legislation, it would be very difficuilt.

So, the Government believes that the original provision is precise, is based on the facts and the road safety statistics, and is what is apparently being accepted as reasonable around Australia: that is, 12 months as a learner and then going to a probationary licence. This involves being a learner for the full 12 months, irrespective of whether the person passes the practical test. The road safety evidence referred to by the Hon. Mr Gilfillan supports the Government's legislation, and the honourable member's attempt at compromise, even if worthy, is, I believe, impracticable and should not be supported by the Committee.

The Hon. I. GILFILLAN: It seems to me a relatively simple matter for clearly visible endorsement of the L plate for the benefit of those people who have satisfied the strict requirements that they have no other reasonable means of getting to or from the places already identified and that the permit would only apply for the hours to which that use could extend. So, I see no difficulty concerning the L plates that may be qualified: they may have a different colour. Anyone supervising the scheme would recognise that such a plate seen on a motor vehicle being driven around over the weekend or at night or going off to a recreational activity did not comply with the permit controls.

I think that it is a red herring to avoid implementing this permit if, as the Attorney-General says, its aim is worthy and the result beneficial. I believe that relatively few would qualify for it and that driving unaccompanied by an adult for these purposes would not expose the 16-year-old to undue hazard. After all, the 16-year-old driver is most exposed to risk at the weekend or at night, and the permit

system would control that tightly indeed. I believe that this is a practical scheme and I hope that it receives the support of the House.

The Hon. M.B. CAMERON: I, too, have an amendment on file in relation to this Bill and this matter. I guess that the difference of opinion now being canvassed in this House demonstrates clearly something that I have considered worthwhile for some time: that is, that it would be useful in road safety matters to have a committee of the Parliament or of this Council that could sit down well before disagreements or differences in attitude appeared in this Chamber and discuss those matters, because no matter concerning road safety should ever be debated on a political basis: road safety is far too important for that.

All members of this Council would consider that road safety was paramount in the world of today. Take, for example, the random breath testing committee of which you, Mr Chairman, and the Attorney-General were members and which found a sensible solution to what appeared at the beginning to be a problem. One day soon I hope that my proposition will be considered by Parliament: that we will find a solution to all these problems so that, when Bills of this kind come before Parliament, they are totally sorted out before they reach it.

I understand that what the Attorney-General is saying has validity: that there are practical problems for the people who are to administer a scheme such as that put forward by the Hon. Mr Gilfillan and that, if a person is mature enough to drive, the fact that that person has difficulties in getting to work does not make that person any more capable of driving than a person who does not have that capability. This matter must be considered in practical terms. My difficulty with the whole problem of having L plates for 12 months and then P plates is something to which I referred earlier.

We have to look very carefully at whether we end up with more people on motor bikes. I have had some discussions and I have been told that that problem has not arisen interstate because motor bikes are expensive these days and not many parents will buy them. However, one cannot always rely on the ability of parents to resist the demands of the teenagers of this country. Of course, people with enough money will go ahead and purchase motor bikes and we will end up with more people using motor bikes because they are not required to have someone with them. One of the dangers of statistics is that one can come to various conclusions looking at the same statistics, but the end result could well be that, in two or three years time, the statistics could go the other way. This Bill could place people in a position where they either buy a motor bike or do not go to work.

The Hon. Mr Gilfillan has attempted to address that problem, but I am not sure that that is the answer. However, I would not like this Bill to pass without some further thought and negotiations taking place. My concern is that, if the Opposition fails to support the Hon. Mr Gilfillan, I am not sure that we will not end up with the Bill as it is, and I would certainly want some further discussion on it. Probably the most appropriate place for that discussion is a conference, where we will not be subjected to the pressures which are on us tonight. In indicating support for the Hon. Mr Gilfillan's amendment, I do not want it to be thought that the Opposition does not recognise the problems that his amendment brings for the people who will have to administer the scheme. Whilst I will at this stage indicate support, that does not mean that the Opposition will not have a very open mind in a conference on this matter (and I trust that we will reach that stage).

However, I ask that at some time in the near future this Parliament consider the proposition put forward—I think it was put forward by the select committee on random breath testing; it certainly operates in New South Wales—that we have not a committee that would cost this State any money but a committee that sits down and sorts out road traffic and road safety problems before they reach this Parliament, so that we can have agreement between all Parties. I certainly expect that everyone would believe that the Parliament is composed of fairly practical people who are interested in solving the problems of the road. The problems of the road are something that we must continue to address, otherwise we will have the same road safety problems (albeit slightly decreased) than we have had. The Opposition will, with some reserve, support the amendments at this stage.

New clause inserted.

Remaining clauses (4 to 7) and title passed.

Bill read a third time and passed.

SELECT COMMITTEE ON EFFECTIVENESS AND EFFICIENCY OF OPERATIONS OF THE SOUTH AUSTRALIAN TIMBER CORPORATIONS

The Hon. T.G. ROBERTS: I move:

That the select committee be authorised to table all evidence taken by and documents presented to the committee.

Motion carried.

The Hon. T.G. ROBERTS brought up the report of the select committee, together with minutes of proceedings and evidence.

Ordered that report be printed.

The Hon. T.G. ROBERTS: I congratulate you, Mr President, on your ascendancy to that position. I move:

That the report be noted.

On Wednesday 21 October 1987 the Legislative Council appointed a select committee to inquire into and report on the effectiveness and efficiency of the operations of the South Australian Timber Corporation, with particular reference to the 70 per cent interest in International Panel and Lumber Holdings Pty Limited, the current financial position, and other related matters. The select committee was set up with some indicated references from the Hon. Mr Davis, and some contributions from other members in terms of some of their concerns about the reports emanating from the Auditor-General. Subsequently the select committee was set up.

The committee visited the mills in the South-East of the State and travelled to Greymouth and Christchurch in New Zealand. We also took evidence in Melbourne and at Cherry Lane, Laverton. The committee was assisted in the early stages by Robert Giulianetti who was attached to the committee in a research capacity. I would like to thank him for the work he carried out during that period. He was ably supported in the business end of the committee's deliberations and final report drafting by Mr Graham Dunne, and special thanks go to him for all the work he did in the concluding stages of the drafting of the report to make sure that the final report was actually tabled. I also refer to the Legislative Council staff who worked very hard under difficult circumstances to make sure all the drafts were completed in time for the deliberations of the committee which met on about 51 occasions. It feels as though we had 51 meetings in the past two weeks.

The committee commenced by looking at the structures associated with the Satco mills, meeting with the local management and making observations on the effectiveness and

efficiency at a ground level at the mills at Nangwarry, Mount Gambier and Pine Industries, and we visited a scrimber plant. All members of the committee were impressed by the dedication of the local management and workers in those industries, and the cooperation that seemed to come from the work sites in trying to achieve an effective and efficient level of cooperation at the plant to make these industries as viable as they could.

The history of the timber industry in association with the Woods and Forests Department and the recent advent of Satco is that basically it is the heart of industry in the South-East, and many of the smaller towns in the South-East rely totally on timber and timber products for their livelihood and existence—towns such as Tarpeena, Nangwarry, Kalangadoo, Mt Burr, Millicent and Mount Gambier. When driving from Adelaide to the lower South-East region, pine plantations start at about the Robe/Beachport area. It is an increasingly important area of development to maintain employment levels in a decentralised area, and the Woods and Forests Department and those Governments that preceded the current Government must be congratulated on having the foresight in setting up the forests since 1836.

The industry has progressed from a dirty, dangerous and fairly labour-intensive industry to highly sophisticated and, in some cases, fully automated, and in other cases, semi-automated production, where the levels of skills have been developed over those years to maintain effective and efficient management and working operations that maximise the potential for those businesses to compete in the private sector, not just in South Australia but Australia, and to consider competing internationally in the export markets for many of their products.

The Woods and Forests Department has had a history of cooperation with the private sector. It is not just a matter of the public sector squeezing out the private sector; it is probably an economic, political and social development that signified historical growth, not just in South Australia's development but also Australia's development, where, in a lot of cases, there was a keenness by the Government and by private enterprise to cooperate in developing resources and complement each other rather than compete, by integrating a lot of their marketing, product development, research and development skills. The committee took evidence that shows there was a great degree of cooperation at that level, and I am sure that all members would agree.

In considering Satco, we must look at its origins and the reasons for its existence. The Woods and Forests Department had some restrictions in its ability to set up commercial ventures, either as a commercial venture standing alone or in joint venture operations, but with silvicultural practices within the industry, it was quite clear that the saw log operations of the department had to be complemented by the use of resources at other levels. Thinning operations had to be used because there was quite a deal of waste. Residue coming out of the forests could satisfy two levels of forest development at second and third thinning stages which was going into pulp and paper production. There were very successful industries in the Millicent area. Cellulose has a long history of development of pulp and paper and cardboard, which has unfortunately declined over recent years, but Apcel Pty Ltd —that is the Kimberly-Clark operation—has continued to thrive, based on its use of the second thinnings and smaller ground log, which is chipped and then put into pulp.

People in the Woods and Forests Department had visions, not just of growing pine plantations, but, making sure that those plantations were utilised, and that the returns on those investments were maximised. There was a period of stabilisation through the 1940s, 1950s and 1960s, and probably in the late 1960s and early 1970s a lot of the material coming on stream had to be utilised, and a more resourceful and entrepreneurial way of using that resource started to be developed. Satco did not come into being until 1979, but prior to Satco's operations we had the existence of Pinewood, which was a joint venture between corporation and the Punula paper mills of India.

It was formed in 1979 to export woodchip for pulp and paper. The venture was terminated because of a sudden drop in the markets. Those circumstances are endemic not only for long-term ventures but also for short-term management cycles where the joint venture operations of Punwood, then Ecology Management Satco, started to develop. There is a long lead time in developing not only markets but also production methods to satisfy the integrated development of products into the market place. This brings about some of the difficulties that the committee found in Satco being able to come to terms with some of these problems.

Ecology Management was another company which tried to come to terms with the use of some of these potential residual wastes that develop in forests. Ecology Management was involved in a number of development projects which were not as successful as people at management level in Ecology Management would have liked. There was product development for fuel pellets for export to Japan and soil conditioners and mulches for the Australian market. The guidelines started to change when the oil prices dropped. Unfortunately, all the research and development into that product—the pellets—was stopped and a loss was made by Ecology Management on that project.

Satco had cooperative objectives and it tried to maintain a lead in market research and development. It is easy to be critical and say that it was inefficient, ineffective and unable to meet the objectives that were set; but one has to look at the long-term objectives of some of these development projects and the vision that some people had for the utilisation of a lot of this residual growth in forest development. We should have some sympathy with those who had the vision to try to put some of their views and development plans into practice.

Satco was set up basically to facilitate some of those plans. In 1979 the Satco board approved a set of nine investment guidelines which established the criteria that the investment proposals should meet. There was a purpose: that the project should be appropriate to the fulfilment of the cooperative objective. Guidelines were set for the potential and expertise in being able to go from the technically related area into the marketing area. Many energies were put into this area to try to make these ventures successful. Joint partners were considered. There is a history of negotiations during that period. A lot of work and energy was put in at that stage to try to maximise the opportunities for employment in the South-East.

Satco passed through three distinctive phases in its development period from 1979 to 1989. The first stage was the economic application of surplus forest material, to which I have alluded previously in my speech. The second phase was to invest in the plywood sector of the market, and the third was to get into product research and development of new markets using available forest materials, which included scrimber. As a result of the second and third phases, Satco became involved as a manufacturer and distributor of both Woods and Forests and Satco timber products and, therefore, took on responsibility for operating a number of major plants and some agencies.

Satco was investing on a number of fronts, and its management expertise and structures were being stretched during this period of development. The committee notes that limitations were placed on Satco in its development stages to meet some of the expectations that were required for a successful return on the investments, to allow the profits from those companies to be turned back into replacing outdated plant and equipment and to get into new product development. The companies in which Satco was involved basically were at a second phase of a restructuring period, where investments had been tried by private companies, generally small family companies, which had got into difficulties either through not being able to read the market or not having capital available to maximise their opportunities as the need of the marketplace kept changing, and they were not able to meet those needs.

Many of those family companies had basically two options: first, to get out and, secondly, to get big, join in with a private company or private entrepreneurial operation or integrate their operations with the existing operations which had grown in the South-East via the Woods and Forests Department. This was done by the vehicle of Satco. Satco also had an investment in a local distributing company called Zeds, which was in partnership with Allan Scott, a local businessman. However, this was one of the ventures that Satco entered into which was not profitable and which had a capital loss of $128 000 at the time when Zeds was sold back to the private sector.

So, we had a brief history of Satco trying to breathe life into industries that had limitations but not being successful. A social goal needed to be met to maintain employment in the region and to maintain a presence in the region for both the Woods and Forests and the Satco product, but the result of these ventures was that Satco inevitably retreated from the marketplace, particularly with Zeds and with Ecology Management, with significant losses.

Mount Gambier Pine Industries was one of the successful ventures that Satco went into, and it is still trading and making reasonable profits. Shepherdson and Mewett (which is a small sawmill in the Adelaide Hills area) was bought from Softwood Holdings. This company has a chequered history, but at the moment it is making marginal profits. Shepherdson and Mewett was bought basically to utilise the timber resources found in the northern hills area. It is also the forest used as the land management project in the Hills area. Satco also had negotiations in a joint venture with VisyBoard which did not bear fruit. This was one of the other operations that Satco had gone into, but then withdrawn from because the marketplace was not accepting the product that it had developed.

When Satco went into O.R. Beddison, the Beddison company itself was facing difficulties because it had made investments in a plywood manufacturing process at a time when it was under-capitalised, and was having difficulties with its management. The owner, Mr X. Beddison, was ill—he had a heart attack. Satco was a supplier of wood to O.R. Beddison. After the investment was made in the plywood venture, Satco took a company share, and in 1983 had 34 per cent of the equity ownership, and commenced plywood manufacturing.

There was a period when the company decided it would extend its plywood operations and go into laminated veneer lumber (LVL). That is a new operation, and was seen to be a successful product by Satco. I think its expectations are possibly being met at the moment, and LVL has been accepted in the marketplace after a very chequered start. It is now seen to be a successful product, and LVL should be able to make a return on its investment for Satco in the short and long term periods. During that stage it set up a joint marketing venture with Aorangi Forests, and it is in this period in which Satco started to over-stretch its equity base.

There were plans for a joint marketing venture with Aorangi Forests to distribute complementary products. Aorangi Forests had its origins in New Zealand. Its New Zealand operations were making plywood, and there was a link between Aorangi Forests and the O.R. Beddison mill, in that Geoff Sanderson had been engaged as a consultant to commission new plant and equipment associated with the LVL line.

The joint marketing venture turned into a joint production venture, and eventually there was an idea to integrate operations of the O.R. Beddison company and the New Zealand company. At this time, one of the short-term problems was that the New Zealand operation, which had also been manufacturing plywood, was selling into Australia, and was being jointly marketed with O.R. Beddison products in the marketplace.

The marketing arrangements were extended to a merger proposal. In May 1985 discussions commenced between AFI and O.R. Beddison regarding the merger of the two companies. The committee received conflicting evidence on who first suggested the merger proposal.

The key people associated with Satco in assessing the investment were Mr Peter South, Mr Geoff Sanderson, Mr Bob Cowan, Mr Neil Lawson and Mr Malcolm Curtis. A report was prepared by Mr John Heard, who was employed as a consultant by Satco to investigate the possibilities of the merger. The benefits of the merger as seen by Satco are summarised in a draft report setting out some of the benefits that might have been achieved by integration of the two mills. Many of these benefits were never achieved.

Satco had reached the point where it was investing in new ventures, it had problems stabilising its already existing investments and was having difficulty coordinating all of these activities on the one front. Although it employed specialist consultants, Satco seemed to be over-stretching its management structure.

When the decision to merge was made, the problems associated with the New Zealand mill were not picked up. One of the problems was that the earlier reports which had been given to Satco officers contained a confused view on valuation and on the future viability of the New Zealand operation. It took some time before the management was able to pull into line the investment strategy which had been envisaged, that is, to integrate some of the product development between New Zealand and Australia and to complement some of their operations. There was some confusion on the New Zealand side of the management structure and there was a long delay before the shortcomings of the New Zealand venture were picked up and remedial action took place.

A claim was initiated by Satco in 1987 after the 1985-86 period in which the directors alleged representations made about profitability, assets and liabilities were untrue. Although evidence was given to the committee that this may have possibly been the case, this action was withdrawn in June 1988. One of the problems which the Minister would have had in being able to assess on this side of the Tasman the difficulties associated with the Greymouth mill was the confused financial records and projected profitabilities.

During the visit to New Zealand, the committee took evidence which suggested that a certain amount of entrepreneurial experimentation was going on in the Greymouth mill which was not conducive to product development being

integrated into the Australian operations and the experimentation was not leading to any product development which, in turn, would lead to profits.

The delay between the merger and the final assessment to replace the management in New Zealand unfortunately contributed to the Greymouth mill's financial situation to a point where it was making losses. These losses were slow to be recognised and, when Satco eventually recognised that there were difficulties at the Greymouth mill, management changes were made. The old management was cleared out and new management personnel was brought in.

The reasons given to the committee by Satco for the integration of the development between the New Zealand and the Nangwarry operations were never achieved, mainly because of the difficulties being experienced by the management structure in New Zealand. However, it appears that the overall, corporate strategy, although it was there in a form, was never put in place. The integration of the two plants was not taking place and, although some joint marketing of product was occurring, most of the product development evidence showed that the clear veneers from Greymouth would be integrated into the LVL lines in order to increase the profitability of some of the high grade product developments, it was not being interchanged. There was evidence to suggest that there was a plan to get economy of scale, but this was never achieved.

The other reason given for going into the Greymouth operation was that there was a possibility of the Aorangi forest expanding and falling into the hands of competitors. Although that may have been a possibility, I think that most of the evidence suggested that the Greymouth mill had a limited life. It was built in 1965; most of the plant and equipment was old and dated; and it would not look like a very attractive investment to anyone in the market place who was seriously considering using the Greymouth mill as a stand-alone manufacturing base for plywood. It was isolated on the west coast of New Zealand; its log supply was quite a distance away; and the old management had negotiated agreements to buy second grade logs at first grade prices. That was making it difficult for the work force at the Greymouth plant to do anything about making any sort of profit.

One of the things that the committee noted during the inspection of the Greymouth mill was that the work force was totally committed to making a success of the operation. Unfortunately, however, the management had difficulties with product development and making a success of it. Satco tried to address the problems once they were brought to its attention. However, delays in bringing those problems to Satco's attention and the consequent delay in remedial action unfortunately contributed to the increased losses.

Coopers & Lybrand and Scott were brought in to examine the final position and viability of IPL (New Zealand), and they observed that the productivity and production costs were being quite seriously hampered at Greymouth by considerable product experimentation at that time. It also looked at some of the other problems associated with a slow moving product, and the operating costs were just far too high.

Changes were made to the operation levels in the work force and recommendations were made for plant and equipment changes. Savings were made by these recommendations, and there was probably a more enthusiastic approach to the Greymouth mill then than at any other time. Unfortunately, a lot of other work had to be put in place to ensure that the Greymouth mill was up and running.

The Christchurch office operated at that time, but W.D. Scott advised that it should close down. Other recommendations were also made in relation to changes to the dryers, etc., and the manning levels. All these recommendations were implemented.

Coopers & Lybrand also discussed a detailed plan for IPL (Holdings) that identified some of the issues which new appointees and new management structure in New Zealand must address. Some of these problems related to poor relationships with appropriate Government bodies, the industry and the market; the absence of any market based planning or strategy; very poor performance record in terms of reliable delivery and dependable product quality; and paucity of management information and inaccuracies and inconsistencies in what little there was available.

These were major criticisms of a mill which was being operated at arm's length by Satco and which it tried to integrate into its operation on the Australian side of the equation at that time. Had more attention been paid at that time by the Satco management to some of those problems and had some of the remedial action been put into place, the position may have been much different.

In relation to Satco (Victoria), we looked at Cherry Lane, which is the warehousing body for the clearing of LVL. I think that the committee was impressed by the effective and efficient running of that operation and that it was starting to pick up. Due to a downturn in the industry, there had been a build-up of LVL product at that time. We were there when there was a change, particularly in the housing industry, and a lot of the product which had built up was being cleared. I think that the major criticisms of the committee were directed towards the Greymouth plant.

The conclusions were that, although the advice had been built up over a period of time, it was based on inaccuracies which had been presented not only to the people who were commissioned to write the reports but also to Satco itself and then subsequently to Treasury, and that they were very difficult to read. The balance sheets were slow in being delivered and, given that there was a history of difficult circumstances associated with that mill which went right back to when Fletchers vacated, Satco should have scrutinised those emerging problems more closely and should have instituted remedial action a lot earlier.

Some changes have been made. A new Managing Director has been appointed at Satco. Some board changes have been made and SAFA has made a move to ensure that the financial decisions which have been made by Satco are more closely scrutinised, and that the information which is fed back into the Minister (and subsequently to Cabinet and Government) is based on more accurate information. The processes that were in place in those early stages of its development have now been altered. The Greymouth plant, given bouyant markets, favourable exchange rates and continued improvements in productivity, should be able to trade out of its difficulties.

It is too early to say whether Satco Scrimber will be a successful product, but the evidence, particularly from those in the industry, is that it will be successful. To some extent it will complement the LVL range in structural timber. The optimism expressed to the committee by Satco and some of the industry's leaders is likely to be met.

The overrun in the investment from its earlier assessments to date is worrying. The committee noted that the development of scrimber was blowing out from the earlier estimates of $12 million to $34 million now. However, the licensing agreement allows for negotiations on royalty payments, and that may reflect some extra cost in development at the production plant. Some of the increases were caused by upgrading the volume which was brought on much earlier than was anticipated.

Overall, the effectiveness and efficiency of Satco was being hampered by its inability to come to terms with the fronts that it was trying to manage. It was trying to manage existing mills, takeovers, new ventures and new product development, and it just did not have sufficient people at management level with the qualifications and expertise to monitor and efficiently and effectively put into place the broad corporate strategy plan that had been drawn up in the early days.

The Auditor-General has been critical of Satco's method of investment. The Auditor-General focused heavily on the New Zealand activities in particular, and noted, in a number of reports to the Government dating back to 1985, that projections on profits and investments in the New Zealand mill were overstated, that operating losses were being incurred and that IPL management was in need of funds. The Auditor-General kept noting these problems. The committee heard in evidence that a lot of the remedial action required by Satco to alter the operating methods at the Greymouth mill were never put in place.

The Treasury was concerned about the business plan for IPL (New Zealand). Detailed documentation was submitted to the committee about the Treasury's concern. One of Satco's problems was its revenue base. In the summation of the report the committee makes recommendations about an equity base from which Satco can operate.

Within the report are profit and loss and balance sheets for Shepherdson and Mewett, and a financial summary of Satco from 1979 to 1988 as well as a resume of corporate strategy which Satco had developed and the problems it had in being able to maintain its strategy. The conclusions that have been put in place by the committee are very critical of the Satco management's attempts to solve some of the problems that were identified both by the Auditor-General and by the reports commissioned by Satco, and the problems associated with the New Zealand merger before and after could have been more appropriately addressed.

The final analysis of Satco's operations will be viewed in light of its investment in scrimber. Many of its operations (such as Shepherdson and Mewett, Mount Gambier Pine Industries and Greymouth) will ultimately be a success or failure based on scrimber's ability to inject capital funds into Satco so that it is able effectively and efficiently to address the problems associated with some other investments by being able to inject capital into plant and equipment and to maintain its effectiveness and efficiency in product development for the market. Scrimber seems to be the lifeblood by which Satco will live in the future. A change is required to the revenue base of the Satco operation, and if scrimber is successful perhaps this could provide the revenue base required.

Overall, the committee came to conclusions that will be judged not by Parliament but by the community itself in the ensuing debate. The document itself is not just an economic document analysing the effectiveness and efficiency of Satco's operations in the market-place but is also a social document in relation to the responsibility of Governments to provide research and development required that the private sector does not take up, to provide jobs and service industries in the area where the Government sees its responsibilities as lying.

The Hon. L.H. DAVIS: In addressing the select committee report I think it appropriate to start at the beginning. When Satco was established in early 1979, Mr Des Corcoran, the then Premier, in debate in this Parliament stated:

> The corporation will meet capital service costs on its borrowings from dividend income and will, therefore, not be a burden on the State's revenue budget.

How wrong he was. In each of the 10 years of Satco's existence since that time, it has made a loss. That loss has increased each year; the debt of Satco has increased each year; the number of business failures has increased each year. So, it is that we bring down a unanimous report, one supported by Government and Opposition members alike, that finds Satco wanting in managerial expertise, financial acumen, business sense and in pretty well every respect by which one would wish to measure business management. Satco was spawned from Woods and Forests, which has in itself advantages over private sector forests. For a start, it does not pay rates on its forests which is a significant benefit.

Back in September 1987, when I moved the motion to set up a select committee, I admitted that Woods and Forests had made a great contribution to the State's economy. It supplies 40 per cent of dwelling construction timber in the South Australian market; it supplies 4 per cent of the Victorian market; and 70 per cent to 80 per cent of the timber used in dwelling constructions in South Australia is radiata pine, a sharp contrast to Victoria, where it is only 30 per cent. Much of the development of pinus radiata has been through Woods and Forests. It has had a proud history. But, certainly, the history of Satco cannot be said to be proud.

I want to look immediately at the so called benefits that were supposed to flow from the merger of IPLA and the plywood mill at Nangwarry and the Greymouth mill. Much has been said about the lead up to that merger which took place in December 1985, but the benefits of rationalisation were said to be enormous. Benefits were going to flow from freight costs in the sense that plywood from Greymouth would be used to service the New South Wales and Queensland markets. It was expected that they would be able to provide veneer to the Nangwarry plant to upgrade the quality of the veneer there; that 30 per cent of plywood from Greymouth would come into the Australia market; that there would be a reciprocal exchange of technology; that there would be joint purchasing of process materials; and that there would be savings on finance costs and operational structure.

It was said that the benefits of this merger between the Greymouth mill, Wincorp and the South Australian operation of Satco were going to be in excess of $1 million. It was painted in the most glowing terms.

Imagine my surprise when I started speaking to people in New Zealand who had had some experience in the timber industry. The committee took evidence from several witnesses in New Zealand. One such witness made the point that only in August 1984—little more than one year before merger negotiations took place—the Greymouth operation had received a $1.5 million loan from the Government. It was a social commitment from the New Zealand Government to keep the operation afloat. That is hardly a vote of confidence. It is a loan that one would receive when one could not receive a loan from any other commercial operation. It was a last resort loan, which was given to the Greymouth mill to keep it afloat.

Another key figure in the timber industry in the south island of New Zealand was asked whether he was surprised that the South Australian Government had taken a 70 per cent interest in the Greymouth plywood mill. He said the immediate question was, 'Why? It surprised me, and it surprised other people.' The surprise would have largely related to the fact that this Australian component (that is, Satco) is reaching well beyond the normal sphere of operations. The perception of the Greymouth mill is one of

turmoil. The evidence of another key person in the timber industry in New Zealand was as follows:

Q. When Satco took over, were you surprised that the South Australian Government had become directly involved in the mill?
A. No, I don't think we had time to be surprised really; it was a matter of 'By God, why did they want us?'
Q. Why did you think like that?
A. Because until then we could not understand why it was still operating.
Q. Why couldn't you understand why it was still operating?
A. Because what we could see were the inefficiences of management.

Another person who actually lived in Greymouth and who had followed the industry closely said that there were rumbles and rumours around the town that the mill was on the rocks—that every Friday night people would ask whether the mill would open again on Monday. They saw the South Australian Government taking an interest as an industry saved. The South Australian interest came out of the blue and they certainly were not aware of anyone else.

I have used these quotations to put a point of view that came frankly and freely from people who knew the Greymouth mill, an old mill disadvantaged (as I will mention in a few minutes) by many geographic factors. It was argued by these people that it was a mill that was clearly in trouble.

Yet we heard from senior Satco officers that, if Satco had not taken the opportunity of acquiring an interest in the Greymouth mill, this mill would have been floated off to the public, and that there were many people interested in purchasing it. The committee heard conflicting evidence: one Satco officer said that he had heard that several people were interested but another Director of Satco said, 'As far as we were aware, no-one else was wishing to buy it.'

Mr Geoffrey Sanderson, a key player in the negotiations, admitted that they had a lot of problems in terms of the mill being under-capitalised. In late May or early June 1985, Mr Sanderson claimed two or three companies were interested in taking the shares in Wincorp. However, I ask you: how could that have made sense given that the company had been clearly struggling, was under-capitalised and the local gossip was not whether it was making a profit but rather whether it would survive? Yet again, Mr Peter South, the Chairman of the Satco board at that time, claimed that when he visited Greymouth in June 1985 for discussions on the merger management was very confident and spoke as though it had money behind it. It certainly had money behind it—it was money lent to it and it was having difficulty meeting interest repayments.

We had what I regard as a total lack of candour on the part of some of the witnesses who came before the select committee. Some people were unable to recollect whether there had been any actual discussions on the performance of AFI. Mr South at one stage was asked a question which he avoided. The question was asked again:

You are unable to recollect whether you had any discussions with Mr Sanderson on whether the company was profitable or otherwise during his time as a director?

I remind members that Mr Sanderson was a director of the very same Greymouth mill between 1982 and April 1984, just one year before merger negotiations commenced. Yet Mr South was unable to recollect whether he had had any discussions. Again, he was asked—because Mr Sanderson had some information about AFI and because he had been a director of it and presumably this was of enormous value in negotiations for the merger—'What did Mr Sanderson have to say?' Mr South stated:

Really, I cannot remember at that point. I do not believe that he was sufficiently close to know what was happening.

He was then asked:

Did you not discuss with Mr Sanderson the past financial performance?

He replied:

Yes, I probably did. I would have to go back and have a look at that.

In my view, that is a total lack of candour. The committee had an admission of lack of preparation and a lack of professionalism associated with Satco's approach to the merger. Satco started merger negotiations in June 1985. Those negotiations took place over a period of six months. They involved Allert Heard and Co. which, for a period of four months, stated that Satco should understand that it (Allert Heard) was not expert in the timber industry. It advised Satco to go to the experts to ascertain the cost of logs, the efficiency of the plant and the competitiveness of the Greymouth mill. Allert Heard did not have the information Satco required. Allert Heard made it quite clear that the budgets being put forward were based on information provided by Satco. The company issued disclaimers continually and yet Satco and, more importantly, the Treasurer and Cabinet, ignored those disclaimers and did not follow through to ascertain that very important information. In fact, they relied on a half-year result to July 1985 which showed a modest profit. That half-year result was unaudited—notwithstanding the fact that in previous years this company had a record of significant losses and notwithstanding the fact that in previous years there had been a significant run-down in shareholder's funds which could only be consistent with a company in deep trouble.

I asked Mr Curtis—who was for that period a consultant to Satco for the merger discussions—what would have happened if the figures to the July 1985 half-year result had been audited? He replied that certainly the fictitious debt situation should have been picked up. Of course, that was what it was all about—buying a business. It is an every day occurrence for many companies in Australia to be examining documents and ensuring that the facts and figures are as presented. Satco failed to carry out the most fundamental tasks: first, to ensure that the accounts were audited and, secondly, to ensure that the value of the assets was checked. After all, the company was going off-shore—it was going across the Tasman, to the South Island, to purchase a mill which had a record of unprofitability. It was going across the Tasman to create a situation that it claimed would bring enormous benefits to Satco and the people of South Australia.

It is this continued inability to act in a businesslike fashion, this continued over-optimism, which has sown the seeds of disaster for the South Australian Timber Corporation. It is reflected in the effusive 1985-86 annual report of Satco. By then, it was well into the investment in New Zealand. Presumably the report was being prepared in July-August 1986, and the company stated in its 1985-86 annual report that the merger between Greymouth and the Nangwarry operation had given the volume and range of production which would make the new group a significant force in the Australian plywood market. What rubbish! The absolute opposite is the truth because, at the very time it was writing that bullish report, it was receiving a very critical memo from the Auditor-General to which I will refer in a minute.

I want to give just a few examples of the eternal optimism which is a feature of the Satco organisation. In a memo dated November 1986 to the Deputy Under Treasurer, Chairman of Satco, Peter South stated:

Production levels for IPL are increasing and we are confident of breaking into export markets this financial year, having already established distribution arrangements for New Zealand plywood

in the USA. Both the Australian and New Zealand plants are in an expansionary phase, increasing production levels.

That is the stuff that dreams are made of, but it certainly was not reality. No evidence was presented to the committee of any opportunity in the American market or in any other market, apart from Hong Kong where the volumes are very small.

It is reflected in a further memo dated March 1987 written by the Chairman of the Satco board to the Auditor-General, in response to a very critical memo from the Auditor-General. The memo states:

The successful entry into the United States and European markets is greatly enhanced by the multi-product range we are able to present from Woods and Forests and the corporation.

In the past two years there has not been a scintilla of evidence to show that there are any exports into those markets. That was just not true.

To show how much it ignored the reality of the situation in New Zealand and this dreamlike approach to the hard world of business, in evidence to the committee the Chairman of the Satco board admitted:

We knew that the New Zealand Forest Service did not have a high regard for the management of the operation [that is, the operation at the Greymouth mill]. It may be inexperienced.

Much later in evidence, Mr South admitted, after the debacle had continued at the Greymouth mill for some time:

We had some management difficulties and I guess that, to a large extent, was the cause of the non-export of material in the first year and a half.

The reality is that it did not change the existing management. It apparently went to the operation recognising that there was a problem and put existing management on contract. It allowed the debacle to continue for a year. In fact, it was not until August-September 1986 that it actually discovered that the New Zealand operation was not profitable. It bought its 70 per cent interest in Greymouth in December 1985, and at several board meetings of Satco its Chairman (Mr South), also was on the board of IPL(H), which was the holding company that had the interest in New Zealand and the Nangwarry plywood operations, reported that the New Zealand concern was operating profitably.

It was not until the July meeting that we saw any reference to the fact that something could be wrong—a reference in the board minutes to 'funny accounting'. It certainly was funny accounting: the profits turned into losses of millions of dollars of South Australian taxpayers' money. It was an absolute scandal and an absolute financial fiasco.

Let us consider the role of Treasury and SAFA in this 'Alice in Timberland' saga. We had an admission from Mr Emery, the deputy head of Treasury and chief executive of the South Australian Financing Authority:

We have recommended from SAFA that a major proportion of the corporation's debt to SAFA should be converted into equity. It has to be acknowledged that the overall financial framework within which those investments were made in terms of the capital structure of the timber corporation have not been appropriate.

Again, Mr Emery admitted to the committee:

Looking at the available published data on Satco, its published results have been adverse throughout the course of its life.

It had not had one run on the board when it bought into that New Zealand operation.

To compound the problem, at the time that Cabinet—that includes the Premier and Treasurer, Mr Bannon, and the Attorney-General—gave the green light to the investment in the New Zealand operation, Satco also had on its plate a major commitment to Scrimber, which is a new timber technology, quite novel, and which I understand all other private sector organisations potentially interested in Australia have ignored. It was a new technology, untried and untested, which in 1985 had originally been said to cost $12 million, developed by CSIRO and Repco. I commend them for that initiative, but I must query, as I did when introducing the motion, whether it is the role of Government to enter into this area. When CSIRO-Repco advised Satco originally about Scrimber, it was claimed that a plant would cost $12 million.

What did we hear from Satco on this matter? We heard a complaint that Cirotech—the CSIRO-Repco company—misled it on what the first production plant would cost by way of capital. Surely, that is naivety on Satco's part. One does not put an easy figure on new technology. The $12 million in 1985 blew out to $22.6 million by the time Cabinet gave approval in 1986, and currently that figure is $34 million. Satco has a 50 per cent interest in Scrimber, and so does SGIC. That significant cost blowout has a dramatic impact on the return on funds employed.

Cabinet had that on its plate, and it considered Scrimber at the same meeting as it made the final decision to go ahead with Greymouth. At the same time as the Cabinet was considering Scrimber and the Greymouth mill, it was also considering LVL—again, a new operation; one of only two plants in the world. The plant was purchased from Finland and installed in the Nangwarry plant, which now makes both plywood and LVL. So, Satco, never having had a run on the board, at the end of 1985, with active Government encouragement—Cabinet approval—suddenly finds that it has three balls in the air: Scrimber, blowing out from $12 million to $34 million in four years; LVL, which I understand is yet to make a profit; and the Greymouth mill which to date has racked up losses well in excess of $12 million. It is no wonder that the findings of the select committee were unanimous. It is no wonder that, when the people of South Australia read this in the paper tomorrow, they will be dismayed.

Just look at some specific aspects of Satco's operations, because by now it is plain that there are maggots not only in the Greymouth operation but also in other operations of Satco. For example, let us consider LVL. Cabinet approved the LVL plant at a cost of $1.9 million in April 1985 and made Woods and Forests the sole agent for marketing LVL in Australia from July 1986 to March 1987. At that time, IPL commenced direct marketing of LVL alongside the continuing agency held by the department. In other words, we had both Woods and Forests and Satco selling the same product.

A bit strange, one might think? Certainly it was. Why was that the case? As one of the witnesses involved in Satco said, it was somewhat incongruous to have two marketing arms for what are perhaps complementary products and said, when he was pressed:

We found out the truth as to why Satco had taken over from Woods and Forests in marketing LVL.

What is the truth? It was that at the end of July 1987 there was over $3.7 million of LVL in stock. There was in stock over 3 700 cubic metres of LVL, which is almost a year's sales which had built up. They had just kept producing it. That was confirmed. It was admitted by a very honest Satco officer that the production went ahead without proper thought to the marketing that needed to go into sales. Why was Satco brought in to replace Woods and Forests? The reason was given in an answer to the Hon. Mr Elliott, who asked:

Are you saying that Woods and Forests are not terribly professional in their marketing?

The answer was:

For that particular product, yes. They were pointing the product to the wrong market. They weren't addressing the commercial and industrial building market.

So, Woods and Forests lost the product and Satco picked it up—an absolute fiasco.

Let us look at Shepherdson and Mewett's timber mill at Williamstown—another little gem of Satco's. In May 1987 a second-hand sawmill was purchased for about $600 000 following a decision in late 1986. Mr Lawson, who is a Satco director, told the committee that he had not been a party to the decision to purchase the second-hand mill. He claimed:

The decision was made between meetings and I am not sure who authorised it.

He went on to say:

I was surprised in the light of some uncertainty in my mind as to what should happen with Shepherdson and Mewett.

There we have a decision to buy a $600 000 plant which was going to cost an additional $1.45 million to install—a decision made not at a board meeting but in between meetings. I would have thought that was pretty irregular. That problem has been compounded by the fact that in April 1989 that plant still has not been installed. It has been stored for two years at a cost of $3 000 a month, and the cost of installation has gone from $2.2 million to $3.2 million. That was explained and was admitted by Mr Cowan, another director of Satco, who said:

Yes. It is not a good financial decision to have it [the mill] sitting there doing nothing and eating money.

It was explained that it had not been installed because, having bought the gear, they ran into a capital squeeze. What sort of nonsense is this? What sort of hick operation is Satco? It is terrible. Let me emphasise that the concern that I have indicated publicly tonight is also reflected in Treasury, which has some explaining to do in relation to its role in allowing Satco, with its past track record, into the Greymouth operation in the first place in December 1985.

I refer to a memo from a Mr A.R. Prowse, Under Treasurer, dated 8 July 1987 to the Director of the Woods and Forests Department. A more blistering memo you could not read, and I quote, in part:

As we have stated previously, Treasury is very concerned about the whole matter—

that is about a business plan for the IPL(H) operation, which involves the Greymouth mill in particular—

and the way it has developed.

We expected, and were advised by yourself, that Treasury would be involved in the development of the business plan. This has not occurred. As yet we have not received:

- details substantiating the need to make payments in relation to IPL(NZ) operations as required by the Cabinet decision of 19 May 1987,
- a request for borrowings to reinstate Scrimber funds used for IPL(NZ) operations;.

Just interpolating there—what Satco did was to take funds for its Scrimber plant development and use them in IPL(NZ), which was quite clearly contrary to Treasury instructions. The memorandum continued:

Moreover, we are not aware that a financial controller has yet been appointed *in situ* (this is a very basic requirement, as we see it, and a cause for great concern).

That is, the financial controller at Greymouth. It continued:

You will appreciate that Satco has not been in a position to service its borrowings from SAFA since September 1986, and that the Treasurer approved, as an interim measure, the capitalisation of interest on those borrowings to 30 June 1987, pending a review of Satco's capital structure.

Treasury has not been approached regarding an extension of the period of capitalisation, and has not received any communication regarding the repayment of $9 million (plus capitalised interest) due 30 June 1987.

Until all of the above matters are resolved we are not in a position to advance any further funds to the South Australian Timber Corporation.

No doubt you will have in mind that the Auditor-General may well be concerned that the various aspects of this whole matter, including the repayment of the $9 million, be dealt with effectively and in a timely and proper manner.

I would appreciate your urgent response.

That is a memo that cannot be ignored—a memo that underlines the lack of managerial competence, the lack of financial acumen, the lack of promptness in response to matters of urgency, and the lack of reality. The memo displays a total over-optimism about the capacity of Satco to manage its stable of failing companies.

If there is one person who comes out of this 18-month long select committee smelling of roses, it is almost certainly the Auditor-General. He has been the very model of a proper Auditor-General—everything that you could hope for. Everything that one would wish for in an Auditor-General has been demonstrated over the past five years.

It is well to remember that as far back as 1984 Mr Tom Sheridan (the then Auditor-General) said in his report (of 1984) that he had concerns at the magnitude of the losses accumulated by Satco since it had commenced operations in 1979. At that time he noted that the corporation had no equity base and that interest payments had become a significant part of its operating costs. He underlined two matters of fundamental concern. Even at that stage he had prised the scab off Satco. He had correctly seen the problems which were to emerge later and which are the focus of attention in the Satco select committee report. He repeated those concerns in 1985.

He repeated those concerns in 1985.

In 1986 he again reflected his concern when he observed that the viability of Satco relied heavily on the success of two ventures, one of which was a new wood product (scrimber) and the other, of course, was the acquisition of the Greymouth mill. He noted, and I quote from his 1986 report:

A commercial operation involving new products needs time to develop those products and establish markets. In this situation it is usual for companies involved in that type of operation to have an equity base. If an equity base was provided to the corporation, then implicit in that arrangement should be a requirement that within a reasonable time the corporation provides an annual return to the Government or SAFA, representing an appropriate dividend payment and a statutory taxation payment.

For five years there were pleas from the Auditor-General and, to be fair, from Satco itself. Yet, nothing was done about this most fundamental problem until June 1988 when, very belatedly, $21 million of debt was converted into equity on the Satco balance sheet.

In the 1986-87 financial year the Auditor-General became increasingly concerned about Satco's financial position and, in particular, IPL(H). He sent officers of his department to make an evaluation of Satco's investment in IPL(H). After investigation he expressed his concerns in writing to Satco and subsequently referred the investment to the Premier and Treasurer, Mr Bannon, in accordance with section 12 of the Audit Act. By then it was early 1987. In evidence to the committee the Auditor-General stated that Satco's acquisition of an interest in the Greymouth mill 'was going to bring financial difficulties'. He noted:

The decision to invest seemed to be largely based on financial statements which were unaudited market projections provided by three New Zealand directors—

of course, they were directors of AFI who obviously had an interest—

and an independent report from a chartered accountant [Allert Heard] which was subsequently qualified.

In summary, the Auditor-General observed to the Committee:

> Given the change of the financial losses and audited statements up to 31 January 1985 and given the fact that projections on profit showed a complete turnaround, given those two factors, one should not only have been cautious of that but also should have received some harder evidence on the market side in particular.

The Auditor-General was absolutely spot-on on the fundamental problems faced by Satco and the particular problem which it had failed to address when doing its homework for the Greymouth acquisition. The Auditor-General did not stop at that, because he criticised Satco's investment companies for being up to 12 months late in presenting their accounts for audit. He also criticised Satco's annual report for lacking in detail, and for not enough emphasis on losses and what they were going to do about them.

All of this adds up to a scathing attack on Satco. As I have said, this report is fully supported by Government members. There is a contrast between the Auditor-General's report and the mess of the Greymouth mill: the problems that have been faced with Greymouth; the many consultants who visited Greymouth on behalf of the Government; the changes in management; the cut in production; the cut in employment numbers which, in itself, immediately saved $1.5 million after 12 months of operation. All of those problems were not faced up to when that decision was made.

Worst of all, when it took on Greymouth the Government did not address what needed to be done at Greymouth—because log costs were the highest in New Zealand and the transport costs of those logs added 30 per cent to the cost of the logs which were, for the most part, being transported 300 kilometres.

The quality of the log was inappropriate. The plant was old, dated and inefficient. The finished product then had to be transported considerable distance from the west coast of the South Island to Christchurch. They simply were not competitive with the North Island plywood manufacturers. The problem was exacerbated by the fact that the South Island had a population of 860 000 which was stagnant rather than growing. Of course the mill had a competitive advantage there. In comparison, the population of the North Island was growing at five times the rate of that of the South Island—a population three times the size with modern efficient mills. In fact, Elders Resources only the other day in its report for the half year to 31 December 1988 made the following point:

> Increased export production from internationally competitive mills will follow the capital improvements while the strategic locations of new and expanded central North Island mills will also contribute.

That is the sort of problem the Greymouth mill is up against. It continues to make losses and Satco itself in Australia continues to struggle.

Finally, through 1987-88 and 1988-89 we had arguably one of the most buoyant periods for building in Australia, particulary in Victoria, where Satco sells half the Woods and Forests product. Yet the profits of Satco last year and this year are marginal. Satco is still making losses after interest is taken into account. The Government quite clearly in recent years has failed to come to grips with the competence of the management of Satco, with the appropriateness of decisions made in Satco and with the capital structure of Satco. The select committee report is detailed. I hope that the Government will address it seriously and act upon it promptly because, if it does not, Satco will continue to haemorrhage and the South Australian taxpayers will continue to suffer.

The Hon. M.J. ELLIOTT: People may care to take various philosophical attitudes about Government enterprises. I support Government enterprise; there is no philosophical problem for me in the Government's making a decision to go into business where it can demonstrate good reason for a need. What the Government has been doing or attempting to do in the timber industry in the South-East can be supported.

However, having been a member of the select committee and having listened to a large number of witnesses giving a great deal of detailed evidence, I must add the proviso that, like any shareholders (in this case the public of South Australia), I expect the business to be run in a proper fashion. I am afraid that one can only come to one conclusion in relation to the operation of Satco until recent times: it has not been run properly. The State has had a long history in the timber industry. In fact, South Australia led the way in the development of silvicultural practices with pinus radiata. I have come to know the industry fairly well, having come from Mount Gambier in the South-East—the heart of timber country in South Australia. In fact, my grandfather partly owned a timber mill in Nangwarry before, during and after World War II.

Most people would agree that the operations of the Woods and Forests Department have been highly successful. The department has blazed the trail in South Australia and it is also true that the timber mills that the department operates have been a real boon. The Woods and Forests Department has been in a position to contribute to the State's economy both directly, with moneys forwarded that the Government and, of course, indirectly, as a result of the tremendous amount of employment that it has generated.

Satco is a more recently established organisation. It began operations in 1979, at first, picking up a couple of relatively minor operations. It acquired Zeds, a hardware store in Mount Gambier. As a former resident of Mount Gambier I must admit that some of the locals were amazed to see the Government involved in that enterprise. The Government eventually sold out at a loss. Satco was also involved in several other losing ventures in the very early days. However, the entrepreneurial spirit was strong in Satco and it was certainly on the look-out for ventures in which it could be involved.

In the early 1980s the Woods and Forests Department recognised that it had a reasonable resource of logs that could be used for the manufacture of plywood. In fact, it called tenders for persons interested in the manufacture of plywood. The tender was won by a company called O.R. Beddison Pty Ltd of Nangwarry, which was involved in the manufacture of icecream sticks. For a number of reasons, this company got into some trouble during the 1980s and ran up a debt with the Woods and Forests Department which I do not believe it was capable of repaying.

We must remember that in 1983 there was a major bushfire in the South East which removed about 25 per cent of our forest resource. It was after that fire that the State Government made a decision to take equity in O.R. Beddison. Apparently the Government did that because it wanted to ensure employment, particularly in the Nangwarry area. I acknowledge the social responsibility that Governments have in the provision of employment, but it is interesting that it bought into a company which, at that stage, was building a plant to manufacture plywood when, on the Government's own admission, the fires had destroyed many of the trees that were to be used to manufacture the plywood. It was probably only a year later that it formally acknowledged that it had problems getting sufficient log of the right quality and type for the manufacture of plywood.

It should have known better: if the Woods and Forests Department did not know how many logs suitable for plywood were available, who else would know? The Woods and Forests Department had the same board members as Satco. Therefore, Satco should have gone in with its eyes well and truly open.

There is one other matter worth noting in relation to O.R. Beddison at that time. Shortly after it took out full ownership of O.R. Beddison it found that there was an asset shortfall, that it bought the company at a grossly overvalued price. Not long after that, Satco had to revalue its asset downwards by $1.5 million—a significant loss, but really only a portent of what was to come. Satco was heading towards what was turning out to be the greatest blunder in its short history.

Satco was approached to go into a joint marketing arrangement with Aorangi Forest Industries (AFI), a small New Zealand company. AFI was selling ply on the Australia market and it approached the Nangwarri plant of O.R. Beddison to see whether it was interested in a joint marketing arrangement whereby they would jointly own a company based in Melbourne—International Panel and Lumber (Australia)—to sell their products. IPL (Australia) was simply to be the marketing company, because at that stage there was no intention that O.R. Beddison would have any interest in it.

For reasons that are not at all clear, the New Zealanders or someone became enthusiastic about the possibility of them merging into one company rather than simply having a joint management arrangement. O.R. Beddison, as the South Australian end of the deal, reacted keenly, saying that it could see all sorts of major advantages. It said that the New Zealand company had access to large supplies of high quality log and could produce high quality veneer which would compliment the range that it produced. It believed that the combined marketing of both their products would give them a much greater presence in the market. They believed there were all sorts of synergies to be gained from such an operation.

I wonder whether O.R. Beddison questioned why the New Zealand people were so keen to go into a merger, remembering that New Zealand had this large amount of supposedly excellent resource (a high value added product) while the Nangwarri plant did not. Why should a company with the capacity to produce such good ply want to merge with a company struggling for resource, especially when its resource was, in relative terms, of lower quality? I would have thought that some alarm bells would have rung, but it appears that no such bells rang.

As I listened to the evidence and as we read the documents I was horrified at the lack of depth of study carried out by O.R. Beddison into the merger arrangement. It appeared that there was a great deal of trust and people assured each other that everything was okay. The New Zealand people provided their own figures on the value of assets and profitability and, as far as one could tell, O.R. Beddison—the South Australian company—simply took them on trust.

When one considers that it had already been caught out once when it went into the Nangwarry mill and lost $1.5 million when it had to devalue the asset, one would have thought that it would have learned a lesson but, no, it blundered straight in again. History later proved that it did not really do its sums on asset values, on the trading figures and on where the log was coming from, how much it was paying for it and on the freight cost of the log. Further, it really did not do its sums on what the export costs were likely to be. So, Satco certainly blundered, but it goes further than that.

Satco could not do anything by itself, because it needed the approval of its Minister—and the Minister could not do anything by himself, because he needed the approval of Treasury. In fact, Treasury had to give the approval for spending the money. Finally, even after that, there was a need for Cabinet approval. I have to ask why did not Satco, the Minister of Forests, the Treasurer and Cabinet insist on a detailed analysis of the proposal? The committee repeatedly asked Satco for the evidence it used before it went into the project. We asked to see its sums and calculations. We asked to see the business plan that it would use and the synergy that would be developed by this plant.

It was not enough for it just to list 15 reasons why it thought it would be okay. It really did not go into each of those reasons and analyse them to see whether or not they were achievable, or whether or not they were pie in the sky. To begin with, all those people should have insisted on a detailed plan and study. All those people—the Minister, Treasury and Cabinet—should have noted very clear warnings that were given in the Allert Heard report. He qualified his report and said that he could not comment on certain matters but he felt they were important. Those matters were not analysed.

The Auditor-General's report of 1984 and 1985 should have been noted. It was clearly indicated by the Auditor-General that Satco lacked equity and had a growing debt problem. How can a company have those sorts of problems and then go into another large venture? They should have been aware of Satco's financial exposure and managerial commitment to two other new products. At the same time, Cabinet and Treasury gave approval to Satco to go into the production of laminated veneer lumber at the Nangwarry plant. Satco was already involved in the development of the product known as scrimber, which would later demand a great amount of investment, but they were willing to stretch Satco's resources further by investing in this plant in New Zealand.

Satco, the Minister of Forests, Treasury and Cabinet should have already been aware of Satco's poor record of profitability in commercial ventures. In fact, there was not a single year in which it ran at a profit, unless one looks at the way Satco sometimes presented its figures when it gave trading figures and, rather neatly, left out little things like interest costs.

They all should have been aware that Satco was severely deficient in financial and managerial expertise. Satco had not grown at the financial and managerial level since it was first formed when it handled a couple of relatively small projects in the late 1970s and early 1980s.

It needed expertise to be involved in the size of operation that had developed. Satco and the Government cannot use the excuse that they were conned in relation to the figures. They had enough warnings that there was a potential problem. They should have been aware of the need for a much better study than the one that was carried out, but they simply were not. What is really sad is that that was not the end of the problem. Having got itself into what really was a great mess, the organisation found things getting worse. Although the two mills—Nangwarry and Greymouth in New Zealand—were supposed to be complementing each other in product and reinforcing each other in the market place, no business plan was produced for the merged group until the middle of 1987. It took something like 18 months before a business plan of any sort was produced.

When Satco finally realised that the New Zealand operation was not giving the return that was expected—and this

took six months after the takeover—it acted very tardily. It took a great deal of time to remove management which had clearly proven itself to be incompetent. Satco, which had a controlling 70 per cent interest, allowed the mill to blunder on for some time. Even after Satco replaced the management, for some time the two mills were running completely separate. When we visited New Zealand last year the evidence given to us made clear that there were no efforts at joint marketing and complementing products—that each mill was doing its own thing. There was no attempt to achieve all the synergies that were claimed.

I would argue that quite a few of the benefits that they claimed they could achieve were never achievable. However, some were achievable, but the basic management practices were not carried out in order to achieve them. The only sign I have seen of a real effort in this area has been in recent times. At this rather early stage—and it is probably too early to judge—the new person that the Government has placed at the head of Satco (Mr Higginson) looks like he will shake things up. He is talking about corporate plans, placing the separate entities into one company, going into the marketplace and buying fuel, adhesives, and so on, in bulk, getting the marketing working together, and the two plants communicating all the time.

That should have been done at the beginning of 1986, but it is only now being done something like two years down the track. In fact, it is likely that a great deal of what Mr Higginson aims to achieve is to come. The Government has played all sorts of clever financial games, and I admit that SAFA is very good at that. It came up with a preference share issue of the order of $12 million to delay the debt problems, but those shares need to be paid out again.

Unfortunately, the mill at Greymouth is only now beginning to show profits. At this stage they are very small, and that is at a time when Australia has had a fairly buoyant market into which it can send its product. If that is the case, one must start to worry about how well it will produce should there be a downturn and how well it will be able to penetrate the Australian market. There must be some doubt—I am not able to answer this question—whether, when the $12 million of preference shares has to be paid out, the Greymouth mill will have the capacity to generate the necessary operating profits to meet the interest payments on the $12 million, let alone to take the whole operation back into the black.

I have concentrated on O.R. Beddison, which now, through a name change, has become IPL(Aus.), and the New Zealand operation. Satco is involved in other operations. One is Scrimber, which has already been touched on. I shall have to reserve my judgment on Scrimber. Certainly the product, on face value, is attractive for South Australia and for Satco. It takes a low value resource—in particular, the first thinning logs out of the forest and the tops of second thinnings, which otherwise can be used only for pulping or for treated pine posts—and produces a high quality, high priced product in reconstituted timber beams. They will probably be of increasing value as the world's forests are increasingly depleted.

That should aid the efficient operation of our forests by giving better returns on what was previously a resource of relatively low return. So Scrimber offers indirect benefits to our forests by using that low value timber in very large quantities. It also offers benefits in terms of employment in the South-East, although, typically of most new factories, it is a high tech factory which, in view of the level of investment, does not provide many jobs. I would prefer to see it in Government hands, so that, if it runs at a profit, the profit returns to the State, rather than in the hands possibly of an overseas multi-national which would use our forest resources and ship the profits offshore.

On the face of it, the Scrimber product looks good. The major question for all of us is: will it run profitably? I do not have an answer to that question because we have not had sufficient evidence at this stage. I can only hope that when Satco did its sums on Scrimber it did them better than on O.R. Beddison and when it went into IPL(Holdings) through its merger with Aorangi Forest Industries in New Zealand.

I note that there is a real need for a corporate plan. It appears that Mr Higginson is addressing that problem. The Government should learn to take more note of the Auditor-General's Reports. He gave warnings early enough, if only somebody had bothered to listen. Instead, the attitude appears to be dismissive. There is a great need to restructure Satco's financial and corporate structure. Clearly the corporate plan that it now has is not capable of handling the scale of its operations.

When the committee was set up, people suggested that it was being set up for political purposes. I have no doubt that this report will prove to be highly embarrassing. However, there is nothing in this report which is in any way false or distorted. This report is the true account of the story of Satco, and it is a sad one—in fact, it is absolutely scandalous.

It is very difficult when working through all the Satco figures to determine exactly how much taxpayer money has been lost. On my reckoning, it could be anywhere between $40 million and $50 million. They are ball park figures. People might like to nitpick around it, but obviously we are talking tens of millions of dollars, from a Government which struggles, as do all governments these days, to provide decent schools and hospitals, amongst many other things, for the community. It cries poor, yet it has lost so much money. If the Government wishes to continue pursuing commercial ventures (and, as I said, philosophically I have no problems with that), it will have to look very carefully at the sorts of structures that it sets up. It must make sure that, as soon as the warning bells ring, it gets in and fixes up things straight away, and not let them meander on hopelessly as has occurred in this case. I support the motion.

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

METROPOLITAN TAXI-CAB ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

AUSTRALIAN AIRLINES (INTRASTATE SERVICES) BILL

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

FRIENDLY SOCIETIES ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments.

INDUSTRIAL CONCILIATION AND ARBITRATION ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments Nos 1, 2, 4, and 6 to 22 and had agreed to amendment No. 5 with the following amendment:

After 'proceedings' insert 'clearly'.

LISTENING DEVICES ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments.

STATUTES AMENDMENT (CRIMINAL SITTINGS) BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments.

MOTOR VEHICLES ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments Nos 1 and 2 and had disagreed to amendment No.3.

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

That the Council do not insist on its amendment.

The Hon. K.T. GRIFFIN: This relates to an amendment moved by the Hon. Mr Elliott, supported at that stage by the Opposition. We see no reason to change our view and, accordingly, believe that the Council ought to insist on its amendment.

Motion negatived.

CLEAN AIR ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendment.

MOTOR VEHICLES ACT AMENDMENT BILL (No.2)

The House of Assembly intimated that it had disagreed to the Legislative Council's amendments.

Consideration in Committee.

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

That the Council do not insist on its amendments.

The Hon. K.T. GRIFFIN: I ask that the Council insist on its amendments.

Motion negatived.

SELECT COMMITTEE ON EFFECTIVENESS AND EFFICIENCY OF OPERATIONS OF THE SOUTH AUSTRALIAN TIMBER CORPORATION

Adjourned debate on motion of the Hon. T.G. Roberts (resumed on motion.)

(Continued from page 3007.)

The Hon. R.I. LUCAS: At the outset, on behalf of the Hon. Legh Davis I thank staffers to the Satco select committee—Mr Robert Giulianetti, Mr Graham Dunne and other members of the Council staff for the tireless work they have done over the past 18 months or so in preparing this report for presentation today and, in particular, the intensive period of activity of the past seven days in trying to meet this deadline. I refer, in particular, to two recommendations out of the three pages of recommendations as follows:

Treasury and the then Minister erred in recommending approval of the merger investment in the light of:

- lack of accurate, detailed analysis of the proposal;
- clear warnings outlined in the Allert Heard report and correspondence;
- warnings by the Auditor-General in his 1984 and 1985 reports regarding Satco's lack of equity and growing debt problem;
- SATCO's already significant financial exposure and managerial commitment as a result of investments in two new products—LVL and scrimber;
- SATCO's poor record of profitability in commercial venture involving failed companies;
- SATCO's lack of financial and managerial expertise.

The committee believes in the light of this evidence that the investment should not have been made.

That investment refers to the investment in the New Zealand timber mill. The second recommendation refers to the period after the merger and states:

Satco, Treasury and the then Minister failed to react quickly enough to the many warnings that all was not well at the Greymouth mill and unnecessarily large losses occurred as a result.

Those unanimous recommendations of a tripartisan committee comprising members of the Labor Party, and the Liberal Party and an Australian Democrat are damning of those concerned. Of course, many other recommendations heap significant criticism on Satco and Satco management in particular. The two recommendations to which I refer talk about agencies or persons responsible for oversight of a particular decision making process.

These recommendations refer to Treasury and the then Minister of Forests, in particular, the Hon. Roy Abbott. Personally I feel a little sorry for the then Minister of Forests in that he alone has been singled out for criticism by the select committee. I agree that the Minister must, in his position as Minister of Forests, accept significant responsibility for having made significant errors in his handling of Satco in his period as Minister. However, it is a gross simplification to indicate that blame lies solely with the Minister and that blame can be heaped also on only Treasury and Treasury officers.

Whilst criticism can be directed at Satco and, therefore, under our concept of ministerial responsibility criticism must be levelled at the Minister of Forests (the Minister responsible to Parliament for the operation of Satco), it is my view that, if we are to criticise the actions of Treasury in this matter, as we criticise the actions of the Minister of Forests (Mr Abbott), equally we ought to be critical of the actions of the Premier and Treasurer.

The Hon. T.G. Roberts: Is that in the report?

The Hon. R.I. LUCAS: No, it is not in the report and I am indicating it should be in the report.

The Hon. T.G. Roberts: I could have indicated a lot of things, too.

The Hon. R.I. LUCAS: Many of the things you highlighted certainly were not the key recommendations of the committee's findings. Having listened to the contribution of the Hon. Terry Roberts and the contribution of the Hon. Legh Davis, I wondered whether they were looking at the same document. Even at this late hour the Hon. Terry Roberts can keep on his rosy red glasses. Significant evidence exists within the documents and transcript tabled in this Chamber to justify criticism not only of the Minister of Forests but also of the Premier and Treasurer. I intend to highlight that evidence. The report also contained criti-

cism of the Bannon Cabinet. It is an easy cop out to make Roy Abbott the scapegoat, to cut him adrift and say that he is not the Minister any more and therefore agree to criticism of him and not look too closely at criticism of the Bannon Cabinet, the Premier and Treasurer in particular.

I now refer to two significant bodies of evidence that highlight the lack of oversight and lack of control by the Premier and Treasurer and his Cabinet in relation to Satco Investments.

The Hon. T.G. Roberts: You wrote a dissenting report, did you?

The Hon. R.I. LUCAS: No, I am referring to evidence. All the evidence has been tabled with your concurrence and the concurrence of members of the Government and is now public information. I am sure the Hon. Terry Roberts would appreciate that. It was the unanimous resolution of the committee that all the evidence be tabled.

The Hon. T.G Roberts: If you read the attachments, you will find an overrider.

The Hon. R.I. LUCAS: There was not an overrider—there was an attempt at a disclaimer. You have had your 50 minutes—I will only take 30 minutes. However, I will take longer if you interject.

Significant evidence was presented to the committee by the firm Allert Heard and Company, chartered accountants and, in particular, Mr John Heard. This evidence covers the period 19 August 1985 to 13 December 1985, just 14 days prior to the final settlement date for the New Zealand investment. On 19 August 1985, in a letter to the executive secretary of the South Australian Timber Corporation, Allert Heard and Company stated:

Accordingly, the increase of $NZ3.124 million from 30 April 1985 to the figure as at 31 May 1985 of $NZ6.351 million requires further examination. The increase in net worth has been effected by increasing the value of fixed assets by $NZ2.98 million and increasing the value of stock by $NZ.829 million, which has resulted in the increase in shareholders funds in one month of $NZ3.124 million.

Allert Heard and Company are saying that this is a very significant increase in asset value in the space of just one month and it requires further examination. In fact, Allert Heard and Company did that. First, under the heading 'Revaluation at replacement value' Allert Heard and Company comment:

In our opinion, the principle of revaluing fixed assets in the balance sheet at replacement value has very little to commend it. In fact, it can provide a distorted view of the real worth of a company . .

It is prudent for any company to revalue its assets at current value on a going concern basis if it wishes to maintain its shareholdings at their correct value, but replacement value is irrelevant and misleading, since it takes no account of the age, conditions or efficiency of the assets in the ownership of the company . .

Clearly, the adoption of the principle of the valuation at replacement cost could lead to an overvaluation of the assets, and cannot be sustained.

Under the heading 'Asset revaluation due to currency change', the report states:

In effect, the company has taken assets worth $NZ1.728 million converted them to US dollars at 0.9 and then reconverted back to NZ dollars at 0.47. This has resulted in an increase of these assets from $NZ1.728 million to a current value of $NZ3.309 million, an increase of $NZ1.581 million purely and simply due to the differing rate of exchange with the US dollar used in the calculation of values . . .

The introduction of the US dollar variation merely inflates the value of the assets in the balance sheet, since the exchange rate has declined considerably since the last revaluation of assets, and any potential purchaser may be entitled to argue that the rate could equally well be expressed in any world currency.

On page 5 of this report, under 'Recommendations', Allert Heard and Company state:

We consider that the method adopted by the vendor in valuing certain assets at replacement value and also revaluing assets to account for currency changes inappropriate. This method will over-value the assets with the effect that not only will profits be adversely affected by excessive depreciation changes but profitability, as a return on funds invested, will show an unrealistic result.

A letter of 31 October from Allert Heard & Company to the Manager of the South Australian Timber Corporation states:

We felt it appropriate to write to clarify the role of this firm particularly as we are aware that budget cash flow forecasts and future profitability projections have been submitted to the Government for their consideration to approve the joint venture agreement.

Although we were involved in the preparation of a number of the schedules presented to the Government we emphasise that we have not verified or checked the validity or accuracy of any of those figures but have merely collated them with the assistance of Mr Bob Cowan (Woods and Forests) and Brian Stanley Jackson (Wincorp, New Zealand). The forecasts, etc. were prepared from draft budgeted projections made by the management of O. R. Beddison and from extracting information from a report prepared for Aorangi Forest Industries Limited by Arthur Young and Co., in 1984 in which they produced a seven year forecast for that company.

Other evidence taken by the committee shows that the Arthur Young and Company seven year forecast was based on information provided by the directors and management of AFI. Arthur Young and Company indicated clearly that their's was not an independent report but a report qualified by the fact that it was based on information from that company. I now go on to quote from the letter from Allert Heard & Company, as follows:

There are a number of matters which we understand have been investigated by Woods and Forests or Satco staff which of course are vital to the success of the joint venture, such matters include:

- availability of timber in New Zealand.
- future market trends,
- log quotas and availability of timber in Australia,
- costs of production
- credibility of the New Zealand joint venture parties.

We emphasise that no work has been performed by us in regard to those types of matters and we seek your written confirmaton that no reliance has been placed on the figures submitted on the basis of our investigation.

We have the letter of 31 October seeking written confirmation that Satco, and through the pyramid of responsibility, in the end, the Bannon Cabinet, placed no reliance at all on the figures submitted on the basis of the Allert Heard investigation. Did Allert Heard get that written confirmation? No, it did not. On 27 November a significant report from Allert Heard & Company was presented to Satco concerning AFI. The findings in that report are referred to in the fourth and last piece of Allert Heard & Company correspondence to which I want to refer. The letter from John Heard of 13 December 1985 to the Satco Manager (page 2) states:

You should also recall that our report of 27 November and our letter of 31 October 1985 have stated that we are not experts in the plywood industry and, accordingly, have not commented on many of the aspects of the future viability of the joint venture organisation. Matters in particular which we have suggested your organisation should investigate, to be fully satisfied on the viability of the joint venture, include:

- That the sales forecasts are reasonable and achievable.
- The recovery rate from logs is achievable.
- That both timber mills have secured long term log licences which are not affected by the change in shareholding in either company.
- The effect of terminating the manufacture of confectionery sticks at Beddisons and the installation of an LVL manufacturing plant.
- A critical examination of the costs for both companies and the savings to be achieved by the rationalisation of both companies' operations.

On page 3 of the letter of 31 October 1985 it is stated:

We believe it is necessary to reconfirm we have not been asked nor have we reported to you on the viability of the joint venture,

or the formulation of budgets other than on the matters referred to above. We hope this letter satisfies your requirements and clarifies our involvement; however, should you wish to clarify any aspects raised in this letter please let me know.

I have quoted at length from those four documents from Allert Heard dating from 19 August through to 13 December, the four month period predating the decision by Satco but, more particularly, the decision taken by the Minister of Forests, the Premier and Treasurer and the Bannon Cabinet to go into this investment.

Allert Heard & Co. was so concerned with the stories that it was hearing about the decision-making process that on two separate occasions it generated its own disclaimer letters to Satco about its particular role. It was so concerned about the decision-making process and what it was hearing that it wanted to clarify its role in this matter. It did not want any misunderstanding about what it was hired to do and it did not want to be seen as a company that had been asked to investigate this matter and then have it bandied about by Government that it had recommended the viability of this project and investment in New Zealand.

For those people experienced in business, financial and accounting circles, Allert Heard & Co. enjoys a very good reputation in South Australia. If it is so concerned about the sort of questions that should have been raised before making a decision, then it is incumbent on Government and Cabinet (and not just the Minister of Forests, who has been cut adrift), and, in particular, the Premier and Treasurer to ensure that, before the decision is taken in Cabinet, these questions and concerns of a respected firm of chartered accountants all be resolved before we go off on our very first overseas jaunt into New Zealand investment.

What was the attitude of Treasury and then, through ministerial responsibility, the Treasurer? We put questions (paragraphs 4 126 and 4 134) to Treasury officers. I think in this case, it involved Mr Peter Emery. The questions were:

Were there any Treasury reservations and concerns about the investment which may mirror some of the concerns that Mr Heard raised? . . . Did Treasury look at that report and inquire into the reservations made?

What does Treasury say about this report from Allert Heard? The answers were that the Allert Heard advice given prior to the Cabinet decision contained the normal qualifications of a consultant. These constituted the definition of the work carried out and not reservations about the viability of the project. In my view, that is poppycock. In no way can one objectively look at the evidence that was presented to the select committee of this Council and make a judgment that all Allert Heard & Co. did was vainly try from 31 October to 13 December to clarify its role and its advice. No-one could interpret that to mean that all Allert Heard & Co. did was contain the normal qualification of a consultant. John Heard and Allert Heard & Co. raised significant questions and concerns about that investment prior to the decision in December 1985. Nothing from the Premier and Treasurer and the Bannon Cabinet gave any indication at all of a thorough review and analysis of those questions and concerns.

A comprehensive report was received on 27 November but, in the aftermath of the November-December 1985 election, the Bannon Government, in the space of days, recommended the investment when, quite clearly, there had been no thorough review of the questions and concerns raised in, first, the 19 August report but, more particularly, in the 27 November report from Allert Heard & Co.

I continue with the analysis of the Treasury review. I refer briefly to the document dated 8 July 1987 signed by Mr Prowse, the Under-Treasurer, addressed to the Director of the Woods and Forest Department. As the Hon. Legh Davis referred to this document earlier, I will not quote all of it. Treasury, having raised a series of concerns in this letter which is addressed to the Director of Woods and Forests and, therefore, to Satco, then states:

Until all of the above matters are resolved, we are not in a position to advance any further funds to the South Australian Timber Corporation.

That important document—a threat not to advance any further funds until quite specific action is taken by Satco about its operations—is dated 8 July 1987. What is the response from the Premier and Treasurer himself—not Treasury and not Cabinet in this case, but the Treasurer—to that threat from Mr Prowse to the boss of Satco?

On 5 August 1987, in documentation provided to the select committee by Treasury and SAFA, one month after the threat made to Satco, the Treasurer shovelled out another $2.55 million to Satco, contrary to the warnings given by the Under-Treasurer, Mr Prowse. He shovelled out $1.41 million in further advances to IPL-LVL, $630 000 to scrimber, and $780 000 to Satco under the definition of 'other' (whatever that means).

So, a total of $2.55 million in further advances and loans was shovelled out to Satco less than one month after that blistering letter from Mr Prowse, the Under-Treasurer, to the Director of Satco, saying that unless something is done about these things no more money will be advanced. We have copies (which I do not have time to read into the record this evening but to which I will give the references) of the responses from Mr South and other Satco officers to the memo of the Under-Treasurer which clearly indicate (as does the evidence given to the committee and the transcript, which is publicly available) that the specific requirements of the Under-Treasurer to Satco were not heeded in that period. Yet, the Treasurer and Premier advanced a further $2.55 million to Satco.

Did he stop there? No. Further documentation provided by Treasury indicates that on 6 October 1987—three months after the warning by the Under-Treasurer and two months after shovelling out $2.55 million in further advances—he gave it another $480 000, approved by the Treasurer in documentation provided by Treasury. Advances must to be approved by the Treasurer—no-one else.

Evidence has been tabled in this Parliament which indicates that in the three months after that warning from the Under-Treasurer the Premier and Treasurer alone approved $3 million in further advances, contrary to the advice and warnings of the Under-Treasurer in relation to prudent financial practices.

That is why I say, first, the evidence presented to the select committee clearly indicates that not only should there be criticism of Satco and the then Minister of Forests, but also the Premier and Treasurer must share equal blame with the Bannon Cabinet for not following through the reservations in the Allert Heard report; and, secondly, the Premier and Treasurer alone must accept responsibility for shovelling out a further $3 million in advances after that letter from the Under Treasurer.

I do not have time to read any of the responses from Satco, but I will give the references. There were letters of 10 July 1987 and 29 August 1987. In this context we need to consider a letter dated 14 July 1987 to the Secretary of Satco from the Auditor-General's Department, Mr O'Donnell, Principal Auditor.

In particular, one further matter that has to be resolved in relation to the responsibility of the Treasurer and the Bannon Cabinet is the fact that in July 1987 the Auditor-General and the Under Treasurer raised the specific concern that, of $7 million advanced to Satco for use in the Scrimber

project, $4 million was diverted by Satco into the New Zealand operation. That concern was raised by the Auditor-General and by the Under Treasurer in their respective memos.

On my reading of the Satco Act and its relationship with the Treasurer, there is a possible breach of one of the sections of the Satco Act in relation to advances made by the Treasurer to Satco and the need for approval. That matter needs to be investigated more closely. Mr President, I seek leave to have incorporated in *Hansard*, without my reading it, a purely statistical table entitled 'South Australian Timber Corporation Financial Summary 1979-1988.'

Leave granted.

TABLE 1

SOUTH AUSTRALIAN TIMBER CORPORATION—FINANCIAL SUMMARY 1979-88
$'000

	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
Total Assets	300	1 763	1 372	1 307	2 302	3 983	14 053	28 241	40 254	26 869
Accumulated Borrowings	300	1 790	1 770	1 750	2 730	4 498	10 910	23 163	37 038	15 661
SAFA equity	—	—	—	—	—	—	—	—	—	21 000
Total Revenue	4	123	131	167	282	429	1 063	1 704	3 023	685
Profit/(Loss) before Interest and Extraordinary Items	(13)	(96)	(108)	(156)	144	132	954	1 641	2 922	454
Earnings before Interest on Borrowings per cent	—	—	—	—	5.3	2.9	8.7	7.0	7.9	1.7
Interest Charges	6	148	184	184	181	398	1 237	2 032	4 127	4 155
Profit/(Loss) after Interest and Extraordinary Items	(19)	(252)	(196)	(28)	(37)	(277)	(427)	(1 098)	(663)	(13 816)
Accumulated Result	(19)	(271)	(467)	(495)	(532)	(809)	(1 236)	(2 334)	(2 997)	(16 813)
Abnormal Items included in the above Results										
Punalor Negotiations	14	203	—	—	—	—	—	—	—	—
Adjustment S & M Trading Trust Income 1986-87	—	—	—	—	—	—	—	—	—	118
Extraordinary Items										
Loss on Sale Zeds Shares	—	8	120	—	—	—	—	—	—	—
Loss on Sale of Land	—	—	—	1	—	—	—	—	—	—
Loss on Sale of Logging Equipment	—	—	—	—	—	11	—	—	—	—
Provision for Loss on Investments	—	—	—	—	—	—	400 Orb	1 128 Orb	—	10 000IPLH
Profit on Sale of Assets	—	—	—	—	—	—	(256)	—	—	(3)
R & D Grant—Scrimber	—	—	—	—	—	—	—	—	(196)	—
Management Fee—Scrimber	—	—	—	—	—	—	—	—	(300)	—

The Hon. R.I. LUCAS: This is an important part of the select committee report. Briefly I shall indicate the major findings of the financial summary. It shows that over its 10-year history Satco has never brought back a profit. There has been a loss every year. At 30 June 1988 there was an accumulated loss of $16.8 million. At the same time a notional debt of $48.7 million was incurred by Satco. That comprises $15.7 million in loans to SAFA, $21 million in what is now called SAFA Equity but was formerly debt converted to equity, and $12 million in preference shares which is still being juggled in the air somewhere between Australia and New Zealand. There is a history of consistent losses over 10 years. The most recent figures indicate $16.8 million in accumulated losses and $48.7 million in notional debt as calculated by the select committee. Looking at the figures for the past four years, the growth has been astronomical.

There are two other matters to which I want to refer, one of which I could spend a lot of time on but I will not. I want to refer quickly to the evidence of Mr Cowan, a former director of Satco. Again, it is a criticism that can be made not only of Satco but of the then Minister and the Bannon Cabinet. He talks about the problems that Satco faced in relation to its corporate structure and an unpreparedness on behalf of the Government to go ahead with difficult decisions which would save millions of dollars. Mr Cowan says:

> Last time I stated that I believed the current structure was inappropriate. I thought it needed three things—amalgamation, equity and distance from Government. Regarding amalgamation, that has now been recommended for five years and we have no action.

The Hon. L.H. DAVIS: who recommended it? It was recommended by both the department and Satco for that period of time. There are very good reasons for its not happening. I will not go into them because they are political rather than any other.

The Hon. C.J. Sumner: Is that the Committee's view?

The Hon. R.I. LUCAS: This is evidence. There had been recommendations for change for five years by the Woods and Forests Department and Satco management. Mr Cowan was a respected director of Satco. No member of the select committee or in this Chamber would say that Mr Cowan was not a respected member of the South Australian Timber Corporation.

The Hon. C.J. Sumner: They are all respected members.

The Hon. R.I. LUCAS: Exactly. Mr Cowan said that they had been recommending for five years, but the Bannon Government was not making decisions for political reasons. That is a stinging criticism by a director of Satco of the Bannon Government. Mr Cowan goes on to say:

> There is no question that it would lead to savings of millions of dollars.

Millions of dollars could be saved if the Bannon Government was prepared to put politics out of the window and look at the efficiency and effectiveness of Satco and Woods and Forests, Mr. Cowan continues:

You only have to look at Nangwarry where we have two manufacturing units side by side, 100 metres apart, with one run by Satco and the other run by Woods and Forests. They have two log yards, and they should have one: they have two debarking systems, and they should have one; to say nothing of the two offices, two administrations, two sets of pay systems, two sets of clerical systems, two maintenance organisations, and so it goes on and on. There is no question about the fact that it should be combined. That is just one example. There is disjointed overlapping marketing.

That is a damning criticism from Mr Cowan. Mr President, I seek leave to conclude my remarks at a later stage.

Leave granted; debate adjourned.

MOTOR VEHICLES ACT AMENDMENT BILL

The House of Assembly requested a conference, at which it would be represented by five managers, on the Legislative Council's amendment No. 3 to which it had disagreed.

The Legislative Council agreed to a conference, to be held in the Legislative Council Committee room at 9 a.m. on 14 April, at which it would be represented by the Hons M.B. Cameron, Peter Dunn, M.J. Elliott, M.S. Feleppa and Carolyn Pickles.

MOTOR VEHICLES ACT AMENDMENT BILL (No. 2)

The House of Assembly requested a conference, at which it would be represented by five managers, on the Legislative Council's amendment to which it had disagreed.

The Legislative Council agreed to a conference, to be held in the Legislative Council committee room immediately following the conclusion of the conference in relation to the Motor Vehicles Act Amendment Bill, on 14 April, at which it would be represented by the Hons. M.B. Cameron, Peter Dunn, M.J. Elliott, M.S. Feleppa, and Carolyn Pickles.

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

That the sittings of the Council be not suspended during the conference on the Motor Vehicles Act Amendment Bill and the Motor Vehicles Act Amendment Bill (No. 2).

Motion carried.

SELECT COMMITTEE ON EFFECTIVENESS AND EFFICIENCY OF OPERATIONS OF THE SOUTH AUSTRALIAN TIMBER CORPORATION

Adjourned debate on motion of Hon. T.G. Roberts (resumed on motion)

(Continued from page 3012.)

The Hon. R.I. LUCAS: Let me conclude by saying that Mr Cowan's points are very important points for the Chamber to consider. Quite simply, he says that for five years they had recommended changes that could have saved taxpayers millions of dollars. For political reasons, the Bannon Government chose not to take those decisions. To spare my colleagues at this early hour of the morning I will not expand on the point in relation to Mr Sanderson other than to indicate the finding of the committee in relation to the matter of Mr Sanderson's 100,000 shares in Wincorp. Members will be aware that on a number of occasions it was indicated publicly prior to the establishment of the committee, and on many occasions during the committee, that there had been a declaration of those shares by Mr Sanderson in January 1985.

We took evidence from Satco executives, Messrs South and Curtis, who said that there were board meeting minutes which would confirm that fact. Members of the committee personally inspected those minutes and established that that was not correct, and the committee's finding is as follows:

The committee notes that section 228 of the Companies Code requires any director to declare such an interest and that the secretary of the company shall record every declaration under this section in the minutes of the meeting at which it was made. The committee notes that a possible breach of this section of the Companies Code might have occurred.

With those comments, I indicate my support for the motion.

The Hon. T.G. ROBERTS: I accept the contributions made by the Hon. Mr Davis and the Hon. Mr Elliott as being an accurate reflection of the conclusions drawn by the Council, but the contribution made by the Hon. Mr Lucas goes over the top in terms of its criticisms. The management structure under which Satco was operating was generally acknowledged by the members of the committee—and we are talking about fewer than two people—as being ineffective in coming to terms with a lot of the problems associated with a number of fronts in which Satco involved itself. The committee acknowledges that that is the case.

It is also acknowledged by the committee that the information chain from New Zealand to Australia in relation to the merger of Wincorp and O.R. Beddison was less than helpful to the people involved, from the Minister to the Cabinet, in being able to determine the real position in relation to the financial structure and the financial position of the Greymouth mill.

There was never any attempt by the committee to apportion blame as has been done by the Hon. Mr Lucas. This matter was subject to great debate. The comments made and the conclusions drawn by Mr Lucas almost amount to a dissenting report. That is not the case. All these matters were debated at length around the table and a consensus was arrived at. There was some consideration and sympathy for those persons in positions of responsibility at ministerial and Cabinet level. That information chain broke down and there were attempts at the Greymouth site to cloud the picture, thus preventing the real picture from being determined. So, the decisions that were being made were made with what could be called fraudulent neglect of the true picture of the Greymouth mill.

In terms of the responsibilities of the Satco management in relation to its other operations, the committee found that most of the investments made by Satco were to propup, ailing local industries and that there was a social and economic responsibility by the Government to play this role in the absence of any large financial input by the private sector.

I think that that point has been neglected to some extent by the Hon. Mr Lucas. The officers of the Woods and Forests Department and Satco put a lot of time and effort into building up these enterprises, taking into account the Government's true position in relation to its responsibilities of maintaining a presence in Nangwarry and Mount Gambier, and establishing an export development program and an import replacement in relation to oregon timber and other imported species.

Those matters were neglected by the Hon. Mr Lucas. I have not heard about any positive aspects in the report; only the negatives have been referred to in the debate from the other side. A lot of positive initiatives were taken by Satco and there was some sympathy, particularly from members on this side of the Council, for the workloads and responsibilities of those people over a long period of time.

Motion carried.

MOTOR VEHICLES ACT AMENDMENT BILL

A message was received from the House of Assembly agreeing to a conference, to be held at the time and place appointed by the Legislative Council.

MOTOR VEHICLES ACT AMENDMENT BILL (No. 2)

A message was received from the House of Assembly agreeing to a conference, to be held at the time and place appointed by the Legislative Council.

SITTINGS AND BUSINESS

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

That the sitting of the Council be suspended until the ringing of the bells.

The Hon. M.B. CAMERON (Leader of the Opposition): I move to amend the motion as follows:

Delete all words after 'the' and insert 'Council do now adjourn until 10 a.m. this day'.

The Hon. C.J. SUMNER: The normal situation with sittings such as this where there is some unfinished business is that we move that the Council suspend until the next day and we treat the Friday as the Thursday. This obviates the need for the Clerks to prepare a fresh Notice Paper. It is my recollection that this has been the custom in recent times when we have been faced with this situation. That is why I believe that this is the appropriate course to follow now.

The Hon. M.B. CAMERON: I must say that it is not the normal situation, because we have a number of Bills not yet touched in this Council. Normally we have just the odd piece of legislation, but the present situation is far from that. Without knowing what will happen in relation to the legislation, one could anticipate that we could well be sitting next week. I do not anticipate the Council being able to deal with some of this legislation, but that may well happen. However, in the meantime we must go on as normal.

The Hon. R.I. Lucas: We've got another week's work.

The Hon. M.B. CAMERON: Yes. We have not attempted to hold anything up. There has been no attempt to hold things up. However, it will be a normal sitting day. We will not be extending Question Time beyond what is reasonable, and we will not be attempting to hold up legislation beyond what is reasonable—that is not our intention.

The Hon. C.J. SUMNER: Contrary to what the Hon. Mr Cameron has said, it is customary to suspend in these circumstances on the last day of sitting, but if he wants to introduce a new rule in relation to it, that is a matter for him.

The Council divided on the Hon. C.J. Sumner's motion:

Ayes (7)—The Hons Anne Levy, M.S. Feleppa, Carolyn Pickles, R.R. Roberts, T.G. Roberts, C.J. Sumner (teller), and G. Weatherill.

Noes (8)—The Hons J.C. Burdett, M.B. Cameron (teller), L.H. Davis, Peter Dunn, J.C. Irwin, Diana Laidlaw, R.I. Lucas, and J.F. Stefani.

Majority of 1 for the Noes.

Motion thus negatived; the Hon. M.B. Cameron's amendment carried.

ADJOURNMENT

At 1.14 a.m. the Council adjourned until Friday 14 April at 10 a.m.