LEGISLATIVE COUNCIL

Thursday 17 August 1989

The PRESIDENT (Hon. G.L. Bruce) took the Chair at 2.15 p.m. and read prayers.

QUESTIONS

DISTRICT NURSING SERVICES

The Hon. M.B. CAMERON: I seek leave to make a brief statement before asking the Minister of Tourism, representing the Minister of Health, a question about the Royal District Nursing Society.

Leave granted.

The Hon. M.B. CAMERON: During the past few days my office has been contacted by many people regarding what appears to be a major crisis in the provision of district nursing services in South Australia. I understand that the Royal District Nursing Society was forced to close off its books to new clients about three weeks ago at its eastern, southern and northern regional offices due to a lack of resources. For example, I am informed that today at the northern office 33 patients are on the waiting list for nursing care in their homes.

Some of these patients will have to wait weeks to obtain nursing care following their discharge from hospital, and I understand there have been two recent cases where patients have actually died before their name has come up for assistance from the RDNS. At the same time, I am told that the acute shortage of resources for district nursing is having serious implications for patients discharged from the Adelaide Children's Hospital—or as it is now known, the Adelaide Medical Centre for Women and Children.

I understand that parents are taking children home and, after tuition, administering complicated procedures that would ordinarily only be done in hospital by specialised registered nurses—these procedures include the flushing of central venous catheter lines. This is the repeated flushing of a catheter line which is passed directly into a vein that goes from the heart—in order to administer chemotherapy, other drugs or nutrition to the patient.

I am advised that this is quite a complicated procedure and, if done incorrectly, could result in an air bubble getting into the system and the potential death of the patient. Aside from that there is always the potential for infection to the patient. Hospital staff at the Adelaide Children's Hospital are quite concerned that children are being sent home in their parents' care with no backup for carrying out these procedures because of the shortage of RDNS nurses.

I am told that at least three children have recently been discharged, with their parents being expected to take up such responsibilities, one of them a terminally ill boy with a malignant tumour. My questions are:

1. Does the Minister approve of the practice of discharging patients from the Adelaide Children's Hospital when their parents are expected to carry out quite complicated procedures and when there is no nursing backup available for them?

2. What steps will the Minister take to ease the acute shortage of available district nursing services throughout the metropolitan area so that practices such as those outlined cease?

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

TOURISM PROMOTION

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Minister of Tourism a question about the promotion of tourism in Australia.

Leave granted.

The Hon. L.H. DAVIS: Over the past month Mr John Brown, who was the Federal Minister of Tourism in the Hawke Labor Government until December 1987, has launched an unrelenting and blistering barrage of invective against his successor, Senator Graham Richardson, for slashing tourism funding and allowing tourism to go off the boil. Earlier this week in a major article in the *Advertiser*, Mr Brown, who as I have said resigned just over 18 months ago, was quoted as saying:

> Eighteen months ago we had the world at our feet. Now we have changed the formula and we are talking about a crisis in tourism. You don't have to be a genius to figure out what has happened.

Mr Brown claimed that since he resigned tourism has disappeared from the front pages. He said:

> Marketing Australia is like marketing dog food. You do not keep your market share unless you keep in the forefront of people's minds.

He has been supported by no less a person than Sir Lew Edwards, a former Liberal politician who received plaudits for his superb chairmanship of World Expo 88 in Brisbane. Sir Lew believes that not enough was done during the Expo period to promote Australia post-Expo and that tourism in this country badly needs a long-term strategy. Over the past few weeks Mr Brown has also complained that since he left in December 1987 the tourism budget has been slashed; and the Government has withdrawn support from the Australian Tourist Commission. On that latter point he states:

> That, to me, is madness.

In addressing a tourism conference in Auckland in mid-July, Mr Brown said:

> I guarantee none of you can tell me who the Minister for Tourism is now. Senator Richardson is his name. Have you heard of him? You will find him in a rainforest—not a hotel.

The promotion of tourism in South Australia at an international level rests—

Members interjecting:

The Hon. L.H. DAVIS: Mr President, I seek your protection.

The PRESIDENT: Certainly. Order!

The Hon. L.H. DAVIS: The promotion of tourism in South Australia at an international level rests heavily with the Federal Government of the day, the Federal Minister for Tourism and the Australian Tourist Commission. Mr Brown's views expressed over the table (perhaps that should be on top of the table) are a massive vote of no confidence in the current Minister for Tourism (Senator Graham Richardson) and the Federal Government. My questions to the Minister of Tourism are:

1. Does the Minister of Tourism (Hon. Barbara Wiese) share Mr John Brown's concern as expressed in those several quotations made public over the past month and, if not, why not?

2. Does she believe the concerns voiced by both Mr Brown and Sir Lew Edwards will impact on the future profitability of tourism in South Australia and, if not, why not?

The Hon. BARBARA WIESE: Indeed, I do share the concerns that have been expressed by people like John Brown, Sir Lew Edwards and various other people about the cuts that have occurred in the Federal Government's allocations to the Australian Tourist Commission and, in fact, in response to the most recent Federal budget, yester-

day I put out a statement of my own expressing my own disappointment and concern about the actions that have been taken by the Commonwealth Government. In this most recent budget there has been an 8 per cent cut in real terms in the budget for the Australian Tourist Commission and it seems to me that at the very least the Commonwealth Government should have been trying to maintain its level of funding to the commission in real terms.

There is no doubt that the tourism industry has played a significant part in bringing about a better economic situation for Australia. Tourism is now second only to wool as Australia's major export earner and it has been contributing positively to our balance of payments deficit to the tune of about $6 million a day. In light of that it seems rather shortsighted that the Commonwealth Government should choose this time to reduce the budget of the commission.

The Hon. L.H. Davis: You've taken a long time—John Brown has been talking about this for a long time.

The Hon. BARBARA WIESE: I share these concerns. At a time when international competition for the tourism dollar is increasing and Australia does not have major drawcards, such as Expo and the bicentennial year, to bring tourists to Australia, we need to be much smarter about how we promote the country in order to bring people here. So, I am concerned about the trends which seem to be emerging in Canberra, and I plan to take up those issues with my Federal colleague. The Hon. Mr Davis may not have caught up with the fact that the Federal Minister who is now responsible for tourism is the Hon. Clyde Holding, rather than the Hon. Graham Richardson, but I make that point as an aside.

It is important that John Brown, Lew Edwards and various other commentators on Australian tourism should not become too carried away with a decline in the industry. It is important that the industry is not talked down, because often these things become a self-fulfilling prophecy, if people start to take that sort of approach. In fact, the number of visitors to Australia has not declined much during the past six months, and it can be expected that a slump in the number of visitors may occur after a major event such as Expo. That happened in South Australia following the Jubilee 150 celebrations. One of the reasons for that is that very often people bring forward plans to visit a location, or to hold a conference or some other event in a particular location, in order to coincide with a major event. Australia may well be going through such a period. It is probable that the very high growth in tourism in the past three years—growth of some 23 per cent for each of those three years—could not be expected to be maintained.

The tourism industry is still healthy, and it is important that people should not over-emphasise the trends of the past few months. It is equally important that tourism agencies, particularly the Australian Tourism Commission, should maintain or increase its efforts in promoting Australia overseas. Individual States do not have the capacity to promote the country in the same way as the Australian Tourism Commission. South Australia relies heavily on the work of the Australian Tourism Commission and works jointly with the commission on promotion to maximise the number of visits by tourists to the State. The matters that I have raised are of concern to many people in the industry, and I will take up those matters with my Federal colleague. I hope that in next year's budget we may see a turnaround in the current trend.

PRISONER DEPORTATION

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Attorney-General a question about prisoner deportation.

Leave granted.

The Hon. K.T. GRIFFIN: Mrs Mary Down has contacted me about a criminal who has wrecked her son's life but who looks like walking away with a relatively light sentence. The facts, briefly, are that the son, Michael Down, was attacked on 21 July 1987 by a person by the name of Farrow with a meat cleaver and knife. Michael Down's car was wrecked and he suffered major injuries—he lost a kidney and he had his colon severed and his liver and both lungs pierced. Mr Down was a lecturer at the Institute of Technology; ran a small business involving architectural graphics; and was a keen sportsman in sports such as long distance running, sail boarding, volleyball, squash and scuba diving.

After the attack Mr Down was debilitated, lost his business and a profit over two years of at least $60 000, was forced into debt, found sport and recreation impossible, mentally became seriously depressed, and incurred and still is incurring substantial medical expenses. On the other hand, Farrow, his assailant, was given 11 years with a seven year non-parole period against which he has appealed and on the retrial he pleaded guilty to a lesser charge and is I understand it still awaiting sentence.

Farrow, the defendant, is a New Zealander, was granted legal aid, and has transferred all his assets here and in New Zealand out of his name to his family to put them out of reach of Mr Down. He has now been declared bankrupt in order to avoid any claim for damages. To cap it all off and to add insult to injury, I understand that the Federal Department of Immigration has refused to agree to deport Farrow on his release from prison even though the police have requested it. I suppose that is to be contrasted with the deportation orders against other criminals, the most recent I can recollect being Mr Sergi, one of the conspirators in the Penfield drug case. Understandably, both Mrs Down (the mother) and the father are angry at the system which puts the criminal in a much better position than the victim who will suffer for the rest of his life. My questions to the Attorney-General are:

1. Will the Attorney-General pressure the Federal Government to have Farrow deported?

2. What steps can the Attorney-General take to allow a court at an early stage to freeze an offender's assets which might become subject to a claim for compensation or restitution?

The Hon. C.J. SUMNER: The plight of Mr Down has already received considerable publicity in the daily media, particularly in the *Advertiser* a few weeks ago. I have also had correspondence with him. I am not sure of the position with respect to proceedings against the accused Farrow, although the honourable member has indicated that Farrow is in fact awaiting sentence. That being the case, I would have expected the honourable member's question to be *sub judice*, as he was canvassing matters relating to a sentence which has not yet been handed down. At least with respect to the sentence, we will have to wait to see what sentence is awarded by the court. I emphasise that the sentence imposed is one for the court, and it can exercise its discretion to impose a very heavy sentence or an alternative sentence if it considers that the circumstances warrant it.

With respect to the criminal justice system placing the criminal in a better position than the victim, the honourable member would be well aware of the actions taken by this Government over the past two years to improve the status

of victims in the criminal justice system, initiatives which have been recognised in Australia as being at the forefront of activities in that area. Indeed, they have received international recognition.

We took steps very early, following the United Nations declaration on the rights of victims of crime, to enhance victims' rights in the criminal justice system generally, and members would be aware of the many initiatives taken in that area to enhance victims' rights. The 17 principles declaring rights available to victims in the criminal justice system have been in operation since 1986. There is now a procedure for victim impact statements to be given to the court so that victim impact can be properly taken into account by the sentencing judge. That initiative is unique to Australia.

Further to that, the compensation system has been improved. There have been increases in compensation available to victims. There has been provision for solacium to be made, that is, payment for grief in the case of the surviving family of a murder victim.

A levy has been imposed and that is now paid into a criminal injuries compensation fund, so that eventually compensation can be improved for victims of crime. With respect to the honourable member's comment on that point, I have merely outlined in brief summary the actions taken by this Government over the past few years, actions which I emphasise have been recognised as being at the forefront of initiatives for victims of crime in Australia.

As to the question of deportation, I am not in a position to comment on that at this stage but I will certainly have the matter examined and bring back a reply. The question of restitution—and by that I mean direct restitution from an offender to a victim, ordered by the sentencing court or the trial court—has been given some attention in the past. Certainly, as a matter of principle I agree that direct restitution from an offender to a victim should be made if that is at all possible. To enable that to happen the law was changed in this State some three years ago to require that, in the sentencing process, judges and magistrates give priority to the direct ordering of restitution or compensation from the offender to the victim. Such restitution is to take priority over any monetary fine that is imposed.

It is not always the case, but often there is a problem if the offender has no assets. In respect of the case referred to, I am not aware of whether Farrow had assets that might have been available for a compensation order. However, certainly as a matter of principle the direct restitution or compensation from an offender to a victim should be considered and given priority by the sentencing authorities, whether or not, I suggest, the individual is sentenced to imprisonment. I am not aware whether or not that was something that could be considered in this case. However, I will certainly have some inquiries made on that point also and bring back a reply.

SMALL BUSINESS CENTRE

The Hon. I. GILFILLAN: I seek leave to make a statement before asking the Minister of Tourism, representing the Minister of State Development and Technology, a question about a small business centre.

Leave granted.

The Hon. I. GILFILLAN: The complexity and daunting number of forms, permits and licensing registrations that all have to be processed in order to conduct a business in South Australia has been a matter of common lament of small business, and not so small business. It has also been widely recognised that the acquiring and lodging of these forms often must be undertaken in quite different locations, requiring quite a lot of time in picking them up and lodging them. Another concern that many small business people have is that, in fact, simply through ignorance they might be neglecting to fulfil all their obligations under the law in these areas.

In Victoria in 1976 at the Victorian Business Centre the Office of the Small Business Development Corporation was established. It was supported by all parties, and I believe a similar situation would apply here in South Australia if such a proposal were made. It is a statutory body with its function being to do everything possible to assist small business. It offers a range of programs, including counselling, training and information services. The centre provides an information kit to small business containing:

1. List of appropriate Victorian State licences, permits and approvals required including details on registration of business name, registration of food premises and registration for WorkCover.
2. Appropriate application forms to facilitate those registrations.
3. Details of State regulatory requirements and recommendation to obtain additional information from Federal and local government departments on their regulatory requirements.
4. Computer printout of information on the relevant department or agency most suited to give advice on licences, permits and approval for that particular small business.
5. Information on business names—how to select a name, obtain use of that name, regulations concerning the display of a business name, warning of the need for renewal of that name and restrictions on obtaining a business name.
6. Reiterated advice to check at each successive stage with the firm's business adviser that all regulations are complied with.
7. Operator's check list at the completion of the application.

In addition to this 'public' function of the centre, it has an internal Program Development Unit to continually upgrade the service provided by the centre, including a marketing service not available to the public but to assist the centre in marketing itself.

Following a visit I made to the Small Business Corporation earlier this week, I believe that the South Australian Small Business Corporation, which I hold in very high regard, is capable of setting up such an establishment in South Australia with its obvious substantial advantages and assistance for small business and perhaps not so small business in this State. Therefore, will the Minister of Tourism, representing the Minister of State Development and Technology, urge the Government to authorise the Small Business Corporation to take immediate steps to establish a South Australian Business Centre modelled on that existing in Victoria but with the additional facility to actually receive the various forms, a function which, as I understand it, does not apply in the Victorian Centre?

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

SUPPLEMENTARY DEVELOPMENT PLANS

The Hon. M.B. CAMERON: I seek leave to make an explanation before asking the Minister of Local Government a question about supplementary development plans.

Leave granted.

The Hon. M.B. CAMERON: Last year, the Minister of Recreation and Sport sought and obtained Cabinet approval for the unprecedented use of section 50 of the Planning Act in an attempt to block a development in the street in which he lives. Today, there is further concern about improper ministerial involvement in the planning process, this time in local government circles, following the handling of a supplementary development plan for the Eastwood area of

the Minister's electorate. This SDP prepared by the Burnside council, rezones land in the area bounded by Fullarton, Greenhill and Glen Osmond Roads. This issue has been very controversial locally, with strong lobbying for and against some of the provisions. It has been the subject of negotiation between the Burnside council and the Department of Environment and Planning since last December.

In a letter which the Burnside council received last Friday (11 August) the Director-General of the Department of Environment and Planning advised the council that the Advisory Committee on Planning had submitted its report on the plan to the Minister. He did not reveal what that advice was. However, on the day before the letter was received, the Minister of Recreation and Sport began circulating letters to some of the people affected by the SDP telling them that Cabinet had decided to make two changes. There is a copy of the Minister's letter available.

The Minister's advice to his constitutents was totally misleading because the plan did not come before the Joint Parliamentary Committee on Subordinate Legislation until yesterday; I recall the minutes of that meeting being tabled yesterday. Accordingly, it has not been through the required parliamentary process for approval or amendment. Further, it was not until Tuesday of this week that the Burnside council was advised of Cabinet's decision, and this only happened by chance. In the first instance, the advice did not come officially from the Government. Had the council not found out about the Cabinet decision when it did, the matter could have gone through the Joint Committee on Subordinate Legislation without the council having had a chance to respond to the changes, as the committee, as I understand it, had listed the matter for consideration yesterday. The council's concerns are summarised in a letter it has sent today to the Minister for Environment and Planning as follows:

> As you may be aware, the council has not been advised of your decision in respect to the SDP. Council's concern is further aggravated by the fact that other parties involved have obviously been kept up to date with the state of play. Indeed, the member for Unley has already written to some residents announcing that the Bannon Government has endorsed the SDP even though the process by which SDPs come into force is as yet incomplete. This interference brings into question the relevance of any appearance by councils before the Joint Committee on Subordinate Legislation if matters are to be determined purely on Party-political lines.

The sequence of events to which I have referred, and which I can document with relevant letters, has the following consequences. First, there appears to have been a deliberate attempt to keep the Burnside council in the dark about Cabinet changes to an important supplementary development plan in its area. Secondly, in the meantime, the Minister of Recreation and Sport has been able to pre-empt the Joint Committee on Subordinate Legislation's consideration of this supplementary development plan by advising some people affected of changes to the plan at least five days before the Burnside council was told about them or they were to be considered by the committee.

My questions to the Minister of Local Government are: does she support the actions of the Minister of Recreation and Sport in interfering in the way I have outlined with the planning process? If so, why? If not, will she reassure local governments in South Australia that similar action will not be taken in future, and will she request the Minister of Recreation and Sport to apologise to the Burnside council forthwith? Further, will she ensure that the affected councils are notified of proposed changes to SDPs in time for them to give evidence to the Joint Committee on Subordinate Legislation, prior to the passage of that SDP through the proper processes of this Parliament?

The Hon. ANNE LEVY: I think that the honourable member is really addressing his question to the Minister for Environment and Planning, and I am certainly happy to refer his question to my colleague in another place. I have had no communication whatsoever from any council relating to this matter.

The Hon. Diana Laidlaw: It seems that councils don't write to you.

The Hon. ANNE LEVY: I can assure members that I get lots of letters from councils but I have not had any communication regarding a supplementary development plan. I suggest that the councils involved would know that the responsible Minister is the Minister for Environment and Planning, and that they have presumably addressed any communications to her. I will refer the question to my colleague in another place and bring back a reply.

HEALTH FUNDS

The Hon. T. CROTHERS: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Health, a question about possible health fund rate rises.

Leave granted.

The Hon. T. CROTHERS: An article in the *News* of Wednesday 16 August which contained a statement attributed to Dr Greg Herring, the Executive Director of the Australian Private Hospitals Association, states:

> The funds had broken their promises to reduce fees to consumers once the Government had passed recent legislation designed to minimise the funds' large payouts for high cost patients.

He went on to say:

> Older funds had made commitments to lower contribution rates by up to $2 per week per family when the Government introduced arrangements for all funds to share payouts for chronically ill and elderly patients.

The article further quoted him as saying:

> Not one fund has dropped rates and some are likely to announce rises soon. These rises could be as high as $1.50.

My question is as follows: in light of what (according to Dr Herring) is an act of bad faith by the health funds, does the Minister know what action, if any, his Federal colleague intends to take in order to ensure that those members of our community, who I would suggest are amongst our most disadvantaged, are assisted in an endeavour to overcome what appears to be an extraordinary breach of the commitment previously given by the health funds in question?

The Hon. BARBARA WIESE: I know that this is a matter of considerable concern to the honourable member and to constituents who have raised the matter with him. He was good enough to give me some warning of his question, so I am able to advise him that the Commonwealth legislation, which came about by way of an amendment to the Department of Community Services and Health Act, was proclaimed on 28 June this year.

However, the new reinsurance scheme was retrospective to 1 June 1989. The basic effect of the change is to spread the contributor costs more equitably between funds. The Commonwealth is making a once-only contribution of $20 million for 1988-89 in quarterly payments for 18 months until December 1990 to cushion the effect of the increasing liabilities of the newer or good risk funds during the adjustment period.

It was anticipated by the Commonwealth that newer funds would have to increase their rates and that the older funds would be able to defer or diminish the size of their next increases amounting to a reduction in their fees over time. The actual effects of the changes will not be known until

after the settlement period, but the Commonwealth has no plans for further changes to those arrangements.

NARACOORTE CORPORATION

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

Leave granted.

The Hon. J.C. IRWIN: My question concerns an investigation into a potential conflict of interest involving the Naracoorte corporation. In a letter dated 31 May last year the Minister's predecessor, the Hon. Ms Wiese, received a request to investigate whether a conflict of interest had occurred in the acceptance by a member of the Naracoorte corporation of payment from the council of more than $6 000. The payment was made for legal advice that the councillor had supplied in relation to an amalgamation proposal.

In a reply dated 8 June last year, almost 14 months ago, the Senior Administrative Officer in the former Minister's office undertook, in writing, to investigate this matter and, in his letter, said:

> The matters you have raised are being examined and a reply will be forwarded at the earliest opportunity.

In a further written reply dated 13 July last year, made on behalf of the Deputy Director of the Department of Local Government, advice was given, as follows:

> You will understand because of the complexities involved that such inquiries are often lengthy and it may be some months before a definitive view is reached.

The matter was again raised with the former Minister in a letter dated 24 November last year. In a reply dated 13 December, again made on behalf of the Deputy Director of the Department of Local Government, advice was given as follows:

> Subsequent to our earlier correspondence, I sought the advice of the Crown Solicitor who advised me by letter of 29 November that her inquiries in this matter are not yet complete. When the Crown Solicitor's advice is to hand I will again be in touch.

By June this year, when there had been no further advice, the new Minister's office was approached indicating that, while the person seeking the investigation had received a visit from a Government investigating officer, nothing further had been done. The new Minister appears to be no less immune to the *Yes, Minister* disease than her predecessor. In a letter dated 20 June this year, she advised:

> This matter is receiving attention and a reply will be forwarded at the earliest opportunity.

The Hon. M.B. Cameron: They have that on the word processor and they keep printing it out.

The Hon. J.C. IRWIN: That's right. This last reply is no different from the first one given 12 months ago. My questions are:

1. Why has it taken so long to undertake this investigation?

2. When does the Minister now expect the investigation to be completed and a reply given to the person who originated the investigation?

The Hon. ANNE LEVY: I thought that this matter had been settled. I will certainly make inquiries regarding it. As I understand it, the reason it has taken a lengthy time is due to Crown Law, but I thought a response had been received. I will check up on it and bring back a further report.

MULTICULTURAL ARTS TRUST

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister for the Arts a question about funding the Multicultural Arts Trust.

Leave granted.

The Hon. J.F. STEFANI: In April this year I asked a question of the former Minister of Ethnic Affairs about the Government's funding commitment to the Multicultural Arts Trust. In the meantime, I have been advised that because the funding commitment which was previously promised by the Government was not forthcoming, the Director who had been waiting for a new contract since January this year has finally given up and resigned. Last year the trust raised more than $500 000 in donations and sponsorships against a small total amount of $40 000 that was jointly allocated to it in equal portions by the South Australian Ethnic Affairs Commission and the Department for the Arts.

The Ethnic Affairs Commission money was allocated from a grants line which was previously distributed to the ethnic communities. The ethnic communities have strongly expressed their concerns to me about the lack of funding commitment by the Government which has resulted in the resignation of the Director and is likely to precipitate the resignation of several members of the board. In view of the $105 million budget surplus announced by the Premier, my questions are:

1. Has Cabinet approved the allocation of funds for 1989-90 to allow the appropriate operation of the Multicultural Arts Trust? If not, why not?

2. Will the Minister advise the amount that will be allocated?

3. Will the Minister undertake that the funds provided to other ethnic organisations that are presently receiving moneys from the Department for the Arts will not be affected?

The Hon. ANNE LEVY: In response to the question asked by the Hon. Mr Stefani, it is not correct to say that funding has been promised and has not been forthcoming.

The Hon. J.F. Stefani: You ought to ask some of the members of the board who saw the Premier.

The Hon. ANNE LEVY: It is not correct to say that—

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: —funding has been promised and is not forthcoming.

Members interjecting:

The PRESIDENT: Order! The question was asked; the Minister is entitled to answer it as she sees fit.

The Hon. ANNE LEVY: There have been discussions about the level of funding for the Multicultural Arts Trust, and those discussions are still continuing. There has been no decrease in funding. From the time of its inception the Multicultural Arts Trust was given a grant of $40 000 of which $20 000 came from the Ethnic Affairs Commission and $20 000 came from the Department for the Arts.

Of course, I cannot speak for my colleague the Minister of Ethnic Affairs, but the funding level from the Department for the Arts has not varied. In fact, an advance was made to the trust for the current financial year because otherwise it would not have been able to survive until the budget was brought down.

Members interjecting:

The Hon. ANNE LEVY: I cannot indicate what the funding allocation is for the current financial year; I cannot indicate what Cabinet has allocated. That is a budget matter

and the honourable member will have to wait for the budget to be brought down—like everyone else.

YOUTH DETENTION CENTRE

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 a youth detention centre.

Leave granted.

The Hon. DIANA LAIDLAW: In May this year the Minister reversed an earlier decision by Cabinet to establish an $8 million security detention centre for youth between Sudholz Road and Blacks Road, Gilles Plains. Since that time I have sought to obtain information from the Minister about whether or not the Government intends to proceed with constructing the centre and, if so, what alternative sites are being considered. I am still awaiting an acknowledgment to my last letter of about two months ago.

In the meantime I was interested to note in the *Standard Messenger* of 9 May a report on the issue by a spokesman for the Minister. The spokesman is reported as saying that he could categorically state that the centre would not be put in the Enfield area and, further, that the Government was now considering at least 20 different sites. Therefore, I ask the Minister the following questions:

1. Is the Minister able to confirm the statement by the Minister of Community Welfare's spokesman that the centre will now not be built in Enfield?

2. What are the locations of the 20-plus different sites for the building?

3. What is the estimated escalating cost of the project per month taking account of the delays incurred in commencing construction?

4. When is it proposed that the site will be confirmed and construction commenced?

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

COUNTRY ROADS

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister representing the Minister of Transport a question about road funding.

Leave granted.

The Hon. PETER DUNN: I have information indicating that no further sealing of country roads will be carried out unless a road has a traffic flow in excess of 200 vehicles a day. The result of this decision will be that few country roads will be sealed in South Australia in the future.

Members interjecting:

The PRESIDENT: Order!

The Hon. PETER DUNN: Thank you for your protection, Mr President. As Eyre Peninsula is sparsely populated, it can expect little or no further sealed roads. The majority of roads on Eyre Peninsula have a dirt surface and are very destructive to vehicles travelling on them. I draw attention to major roads between regions of commerce such as the road between Cleve and Kimba, Loch and Elliston, Cummins and Mount Hope which are in an atrocious condition as a result of the wet season. These roads were taken over by the Highways Department for total maintenance in 1983-84 and are now subjected to a great deal of complaint by road users. My questions are:

1. Are any extra funds available to bring these arterial roads up to trafficable condition?

2. Will there be any extra funds available in the future when seasonal conditions cause a deterioration in these roads as has occurred this year?

The Hon. ANNE LEVY: I shall be happy indeed to refer that question to my colleague in another place and bring back a reply.

PRISON OFFICERS

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister of Correctional Services, a question about stress related illness among prison officers.

Leave granted.

The Hon. J.C. BURDETT: I have been informed that in 1987-88 as opposed to 1986-87 there was a 254 per cent increase in stress related sickness among prison officers. I have also been informed that in the year ended 30 June 1989, 60 prison officers had been sick because of stress related matters. My questions are:

1. Does the Minister agree with these figures?

2. If not, what are the correct figures?

3. Does the Minister acknowledge that there is an increasing problem in stress related sickness among prison officers? If so, what steps will he put in place to rectify the situation?

The Hon. C.J. SUMNER: I will refer that question to my colleague and bring back a reply.

EDUCATION DISPUTE

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister representing the Minister of Education a question about the curriculum guarantee package.

Leave granted.

The Hon. R.I. LUCAS: In the latest glossy 14-page production sent to all teachers earlier this week, at taxpayers' expense headed 'Curriculum guarantee: the revised proposal, 14 August 1989', the Bannon Government through the department gave a number of undertakings. On the first page, under the heading 'Curriculum guarantee' the offer provides:

> All schools will be guaranteed that they will be able to offer at least the existing 1989 curriculum to each student in 1990.

The discussions that I have had with concerned primary and area principals in the past 48 hours have raised a series of significant concerns and criticisms about the whole package and two significant questions and criticisms about this particular supposed promise. Those principals have raised, first, the question of negotiable staffing levels for schools. They have indicated their view that in discussions that the Institute of Teachers has had with the Education Department that contrary to this promise in the curriculum package the negotiators on behalf of the department conceded that many schools will lose the programs that are currently being offered through the negotiable staffing arrangements of many schools.

This is because of the abolition of negotiable staffing and its replacement with what the Government calls tier 2 staffing for schools for 1990. The negotiators have indicated to the Institute of Teachers that the negotiable staffing levels are not covered by this particular supposed guarantee. The primary and area principals have indicated that the negotiable staffing allows for most important initiatives and

extensions of the basic curriculum in many of our primary and area schools throughout South Australia. A number of those programs instanced to me have been community liaison teachers, programs for gifted and talented students, programs for instrumental music instruction and programs for dance, etc., that are conducted through the negotiable staffing that is available to schools.

The second question that I have raised with the departmental negotiators is whether the guarantee is specific for only one year—that year directly following the next State election. The principals of primary schools and area schools, given the record of the promises made by the Bannon Government at the last election—with due respect to you, Mr President—are naturally cynical about the duration of the supposed guarantee.

An honourable member interjecting:

The Hon. R.I. LUCAS: Are you talking about the Cain Government—the 5 000 teachers and Public Service cuts?

The PRESIDENT: Order! The honourable member will address the Chair.

The Hon. R.I. LUCAS: Mr President, I am being provoked.

The PRESIDENT: Order! You are not being provoked; you merely need to address the Chair.

The Hon. R.I. LUCAS: Government members keep referring to an irrelevant matter—the Cain Government cutback in the public sector, including education.

The PRESIDENT: Order! You do not have to hear it if you do not want to.

The Hon. R.I. LUCAS: Will the Minister clarify the supposed guarantee and give an unequivocal guarantee that all programs currently provided through negotiable staffing arrangements will continue in 1990? Will the Minister clarify the position of the curriculum guarantee promise after 1990, if the Bannon Government is still in power?

The Hon. ANNE LEVY: I will happily refer that question to my colleague in another place, as I am sure that the Bannon Government will be in power.

LYELL McEWIN HEALTH SERVICE

The Hon. M.B. CAMERON: I seek leave to make a brief explanation before asking the Minister representing the Minister of Health a question about the Lyell McEwin Health Service.

Leave granted.

The Hon. M.B. CAMERON: My question relates to what appears to be an acute shortage of beds at the Lyell McEwin Health Service, exacerbated by a shortage of resources for the Royal District Nursing Society. I am advised that the Lyell McEwin has been full since early yesterday afternoon and that since then up to 10 patients have been waiting in the hospital's accident and emergency section. I understand that some patients have been waiting for a bed since about 2 p.m. yesterday. I am also advised that at least three of the patients waiting to be admitted have been brought to the hospital with potentially serious ailments as they were linked up to cardiac monitors. I understand that the hospital was unable to transfer patients to the Modbury Hospital because it, too, was full.

I am advised that much of the problem at the Lyell McEwin stems from the fact that some patients that would ordinarily have been discharged have been detained because they required district nursing services. I am informed that the local RDNS office had to close off its books to new patients three weeks ago, due to an acute lack of resources. Two of the patients being detained for this reason at the Lyell McEwin have terminal illnesses.

I am advised also that the situation could in fact be worse, except for the fact that people are deferring putting their sick relatives into the hospital for treatment or respite care, simply because when they do so they come off the Royal District Nursing Society's list and have to go on a waiting list when they are discharged. In other words, they do not have a right automatically to receive the same services as they received before going to hospital.

I understand that, while the RDNS has obtained an extra $150 000 in funding this financial year, that is enough for only three extra staff (not on a 24-hour basis)—or about an extra 30 patients each day. The RDNS is understood to have a shortage of about eight nursing staff at present. Although the Lyell McEwin is soon to open four new wards as a result of its major upgrading, I am told that this will create no new additional beds as old beds will be decommissioned.

I am also informed that the RDNS is funded strangely. From 8.30 a.m. to 4.30 p.m. it is covered by its normal budget; from 4.30 p.m. to 6.30 p.m. it receives HACC funding; and from 6.30 p.m. to 8.30 a.m. the following day it receives Medicare Enhancement Program money. All those funding methods have different criteria in relation to the admission of patients, as a result of which many patients do not get into hospital. Will the Government, as a matter of urgency, make available additional funds to the RDNS so that it can provide extra patient services required to free up hospital beds in the northern and other areas?

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

REPLIES TO QUESTIONS

The Hon. DIANA LAIDLAW: Mr President, I seek leave to have inserted in *Hansard* without my reading them replies to questions asked in the previous session.

Leave granted.

EARLY INTERVENTION PROGRAMS

In reply to **Hon. DIANA LAIDLAW** (13 April).

By the Minister of Education:

I refer to your question without notice in the Legislative Council on 13 April 1989 regarding early intervention programs for children with special needs. With regard to the first part of your question, I agree that early intervention programs are important. The reductions in some elements of special education funding were imposed by the Commonwealth. In support of all agencies affected by the reductions, I was involved in protracted and extensive negotiations with the Commonwealth about both the policy and its implementation. The amount of the reductions proved to be non-negotiable; however, I was successful in having the impact of those budgetary decisions deferred. The assumption in the last part of your question is incorrect. The Interim Special Education Consultative Committee made its recommendations to the Commonwealth in November 1988. The Commonwealth advised agencies of their funding in February 1989. This year I established a permanent consultative committee. I am confident that the new committee will continue to build on South Australia's excellence in education for children with disabilities.

CHILD ABUSE

In reply to **Hon. DIANA LAIDLAW** (12 April).

By the Attorney-General:

On 12 April 1989, you asked a question in Parliament on child abuse. I referred your question to the Director of Legal Services and she has provided the following answer:

Ms Laidlaw telephoned me in respect of the question of child abuse. I expressed to her concern about the increase in cost to the commission both in Family Court cases and in in-need-of-care proceedings pursuant to the Childrens Protection and Young Offenders Act. The area in which I expressed concern was the prolonging of these cases while experts, particularly child psychiatrists holding different views as to the appropriate methodology for diagnosing abuse, were examined and cross examined at length by opposing parties. The commission always provides the respresentative for the child, and is often funding one or both parents as well. Many of the cases stretch into weeks, and it is not unusual for a child psychiatrist to be in the witness box for a matter of 4-5 days. It is, and remains, my firm belief that the question of the appropriate protocol is a matter which the College of Psychiatrists should address, particularly in light of the Cleveland report.

Whilst I acknowledge that there will always be dispute upon interpretation of findings (as indeed there is between orthopaedic surgeons in respect of, for example, work injuries), the differences of opinion as to methodology should be resolved in a scenario other than the courtroom.

Ms Laidlaw misunderstood my statement to her in the second paragraph of the question as reported in *Hansard*. The commission is not encountering 'conflict of interest problems on an increasing scale arising . . .'.

Ms Laidlaw asked me to express an opinion as to what the Commission's attitude was to child sexual abuse generally, and whether it was the Commission's view that there was an increasing number of false allegations, or whether the reverse was so and the problems with child witnesses were making it difficult to secure convictions where abuse had actually occurred. I advised her that the commission did not have a view on that matter, and in fact could not express an opinion. The statutory requirement upon the commission is to provide legal assistance to those who cannot otherwise afford it. This means that lawyers employed within the commission and private practitioners acting on legal aid assignments may be contending in court for the proposition that a child has been abused, either as the child's separate representative, or as counsel acting for one of the parents. On the other hand, commission lawyers may be representing parties denying such allegation, or indeed assignments to the private profession made for that purpose. In the criminal jurisdiction such allegations are, of course, often strenuously denied on behalf of legal aid clients.

Accordingly it is not a conflict of interest problem as described by Ms Laidlaw but rather approaching the issue from a number of different perspectives which precludes, quite properly, the commission making any public comment with respect to the general issue.

The commission, of course, does not require any action from the Attorney-General to address the problem of the dispute between experts, as it is a matter beyond his control, and indeed the control of this commission. We will, however, continue to press for the adoption of uniform methodology, and any administrative steps on behalf of the Department for Community Welfare to minimise the length of these trials.

SENTENCE APPEAL

In reply to **Hon. DIANA LAIDLAW** (8 March).

By the Attorney-General:

I refer to the question you asked on 8 March 1989 relating to a conviction of a youth for the offence of causing death by dangerous driving. The Crown Prosecutor has advised me that an appeal would have no chance of success. The penalty was not so manifestly inadequate as to justify an appeal. Further, I am advised that there is insufficient details on file to satisfy prosecution of criminal offences against the step-mother. The Department for Community Welfare has advised that there are no grounds for her to be disciplined as this matter was not part of her duties as an employee of the Department for Community Welfare.

CHILDREN'S EVIDENCE

In reply to **Hon. DIANA LAIDLAW** (5 April).

By the Attorney-General:

On 5 April 1989 you asked a question in Parliament on children's evidence in court. I referred your question to the Minister of Community Welfare and he has provided the following answer:

The report has now been completed and presented to the Minister of Community Welfare. Prior to any decision on its release, the Minister has referred it to the South Australian Child Protection Council for consideration and comment.

CITICENTRE BUILDING

In reply to **Hon. DIANA LAIDLAW** (30 November 1988).

By the Minister of Health:

I refer to your supplementary question without notice of 30 November 1988 regarding the Adelaide CitiCentre. Accordingly, the following answers are provided:

1. Recommended by the Parliamentary Standing Committee on Public Works on 18 February 1988.
2. 728.
3. 747.
4. The Health Commission and Department for Community Welfare agreed their staff numbers which were to be accommodated in the new building.
5. The final difference is 19, which is comprised of an additional 11 SAHC staff plus a recent need to accommodate eight DCW staff for an Enhancement in a Commonwealth Funded Program (Family Maintenance). This total number is expected to decrease as a result of staffing rationalisation achieved by amalgamating SAHC Central Office staff with the Division of Public and Environmental Health. The reasons for the temporary additional SAHC numbers to be accommodated were:
   - one staff member whose contract was due to expire and which was not planned for renewal was not provided for in the new accommodation;
   - seven staff who were surplus to requirements and were not provided accommodation in the new building because they were expected to be redeployed prior to occupancy;
   - three staff employed for additional functions which have been introduced following Commonwealth and State new initiative funding. Additional Commonwealth funded staff usually attract Commonwealth funding for the space occupied by these staff.

ST JOHN VOLUNTEERS

In reply to **Hon. DIANA LAIDLAW** (15 March).

By the Minister of Health:

I refer to your question without notice of 15 March 1989 regarding St John volunteers. St John management has estimated that a fully paid ambulance service in the metropolitan area would require 79 additional paid staff at a cost of $2.6 million.

ABORTION CLINICS

In reply to **Hon. DIANA LAIDLAW** (16 March).

By the Deputy Premier:

I refer to your question without notice of 16 March 1989 regarding abortion clinics.

1. The Government intends to establish a model pregnancy advisory centre in the metropolitan area which will provide a high quality of services for the women of South Australia. No final decision has been made on the site for the pregnancy advisory centre. The criteria affecting this decision will include accessibility for clients, proximity to hospital emergency services, feasibility to planning terms and regard for the privacy of women attending the centre.

2. The Government is fully aware of the need for services which are geographically accessible and of the particular needs of women in the northern and southern suburbs.

3. Not at this stage.

GERIATRIC MEDICINE

In reply to **Hon. DIANA LAIDLAW** (6 April).

By the Deputy Premier:

I refer to your question without notice of 6 April 1989 regarding geriatric medicine.

Discussions are continuing between the Queen Elizabeth Hospital, the University of Adelaide and the South Australian Health Commission regarding funding for the proposed Chair in Geriatric Medicine to be located at the Queen Elizabeth Hospital. The Queen Elizabeth Hospital has estimated the cost of establishing such a chair to be $250 000.

PORT ADELAIDE COUNCIL

The Hon. M.B. CAMERON: Has the Minister of Local Government a reply to the question I asked on 15 March regarding Port Adelaide Council?

The Hon. ANNE LEVY: I seek leave to have the reply inserted in *Hansard* without my reading it.

Leave granted.

Further to the honourable member's questions relating to council remuneration packages I advise that three issues have previously been raised.

The first concerned the overseas travel arrangement of Mr M. Llewellyn-Smith of the City of Adelaide. The second involved the retirement package of Mr C. Wirth, former Chief Executive Officer, City of Mitcham and the last concerned the employment conditions of Mr C.K. Beamish, City of Port Adelaide.

In general terms the Municipal Officers (South Australia) General Conditions Award, 1981, provides that a Chief Executive Officer may negotiate an agreement for a suitable employment package to take account of work which is likely to be performed outside the ordinary hours and other similar contingencies inherent in the work.

A package arrangement under the award provisions is a contractual arrangement between the employer and employee and therefore, as Minister, it is not appropriate that I should intervene in such arrangements.

PASTORAL LAND MANAGEMENT AND CONSERVATION BILL

In Committee.

Clause 1—'Short title.'

The Hon. PETER DUNN: I believe that now is the appropriate time to speak on the report, as no time was set aside yesterday to speak to it. I was pleased when the select committee was established on this matter, as it enabled honourable members to travel to some of the areas which had been spoken about. There is much misunderstanding about what takes place in the pastoral areas of South Australia. Everybody likes to go to those areas, and many people consider themselves to be semi-experts, but few people live in those areas for any length of time.

It was to the credit of the Council that some of its members went to the pastoral areas and met many pastoralists, who enjoyed talking to committee members. Those people made very frank disclosures about their operations and their financial returns. If the select committee had not gone to those areas, the report would have had less credibility.

Over the past 15 to 20 years pastoralists have shown enormous restraint. They have been careful managers and have improved their lot enormously. Some of those improvements have resulted from better education of the pastoralists and from better communications. Pastoralists are more aware of the country around them, in the same way as other Australians are becoming more aware of their environment.

I believe that pastoralists were environmentalists long before people in cities and agricultural areas took much notice of the environment. In the 1930s the country was bare and dust storms occurred in agricultural areas. The quality of those areas has declined due to changes in the weather, with many dust storms in the North which have blanketed much of the northern agricultural areas and made life rather difficult and unpleasant.

The other factor is that much of the wool that came out of the pastoral areas in the 1930s, 1940s and probably the early 1950s contained a considerable amount of dust. However, that does not apply today. The highest priced wools are coming from the agricultural areas, and that is because of the constant food intake throughout the year. The sheep are feeding off bush and not off grasses that grow for only part of the year. They generally graze from bush and have a constant intake of protein, and this leads to an even and clean wool. Because the areas are not heavily stocked, the sheep do not create a lot of dust. For those reasons, I believe that the area has been managed very well.

Years ago when the sheep had to be shifted because of a drought or fire, for instance, it was difficult to get the stock off the country. But today, because of large transports and a more efficient means of mustering—perhaps the use of motor bikes—we are now able to shift stock from those areas very rapidly. When a drought does fall upon a pastoral lease, the stock can be shifted very quickly. That is a significant factor in improving the management of those areas, particularly the cattle areas north of the dog fence. That has had a significant effect on the better management and revegetation of much of that area.

The committee went to those areas, because the voice of the pastoralists is very weak. There are not a lot of lessees—only about 350 in South Australia—so it is reasonable to assume that not a lot of them could come down to Adelaide and voice their opinion. Further, it is a very expensive trip. With the select committee being able to travel north, we were able to listen to their stories and allow them to influence the members in their thinking. I must say that I am rather disappointed about some of the things that are contained in the report. Generally, though, I guess the Bill reflects what the report contains, that is, pastoral management and conservation.

In the whole of our trip I do not think we heard one anti-conservation comment from any person whom we met. I cannot recall one person, who was opposed to looking after the land and keeping it in as good a condition as is possible with the seasons as they are—in pristine condition, one might say. Fortunately, the North is enjoying a magnificent season, the best I have ever seen, not that I am terribly old—

Members interjecting:

The Hon. PETER DUNN: Thank you for your confidence. I should have said that I have been travelling constantly through the area for about 25 years, and during that

period I do not think I can recall the area looking better. Maybe 1974 was an equivalent year, but the good conditions did not extend across the full width of South Australia as they have this year. It is a pleasure to go up there and see the country in such good order. However, let me sound a word of warning: it will not be like that for long into the future. By about March or April next year, the area will have experienced fires by natural means—that is, lightning strikes—and some of the areas will be denuded. The area will not experience the heavy rains that it has enjoyed recently and, in those circumstances steps will have to be taken.

The people who are presently there are the best ones to understand that country. Some of them are third, fourth and fifth generation pastoralists. They know what to look for and how to handle the land. With the means at their disposal, they will be able to control the land. One thing that worries me about this Bill—it has not been stated in the report and maybe it should have been—is that it imposes upon pastoralists conditions which have been made up by people who live down here on the inside country. I know that we refer both to scientific methods and to people who have been trained in methods of controlling the pastoral areas, but I do not believe there are very many of them. Many of them ought to have come from that country and, if we are to train people in the future, we ought to be asking for young men or women to come from those areas in the North, where they have received a background education from their parents. That would be of great assistance and would give them some credibility when they go back there and try to explain to the pastoralists what they are doing.

If we do not get this Bill right, pastoralists will become disenchanted with their job because they experience many difficulties living in that area, and I will explain those in a moment. If these people become disenchanted and decide to leave the area, we will finish up with investment other than from South Australia. It could be from other States; it might even be from other countries, as we have seen in the Northern Territory, Queensland and northern Western Australia. There is very little overseas investment in South Australia these days: it is more of a family affair. There have been very few changes in pastoral leases in South Australia over the past few years, and that has led to the better management of the country. The people there understand what it is all about. I do not think that outsiders or absentee landlords are good for that country. I have never believed it and I do not think I ever will. I have seen some cases where absentee landlords do not look after the country as well as they could, purely because they want the mighty dollar.

As I speak about the mighty dollar, perhaps I should explain why there is a minority report and why the Hon. Mr Cameron and I have not agreed totally with the report. The main reason is to do with the establishment of the rentals in this country. If we go back into history, we can see why rentals traditionally have been low. The Opposition's amendments to the proposed rentals that will be imposed by the Pastoral Land Management and Conservation Bill are included because of the historical background. I refer to the Royal Commissions held in 1891 and 1927. However, some background information needs to be provided. The land concerned is located in the northernmost areas of the State, in the pastoral zone, and is generally outside the boundaries of the local government authorities. It is predominantly given over to the grazing of sheep and beef cattle, although other livestock such as horses, goats and pigs are raised in these areas. They are not pastured in the areas, particularly in relation to the pigs, but some of them are raised in the areas. Apart from tourism, weapons testing and mining, there is no alternative commercial use, and even these uses could co-exist with grazing.

I think that is an important point. If the people leave the area what else will it be used for? To this stage the Government has not indicated what it deems to be market rentals. It has not indicated what the benchmark or the starting point will be for these rentals. However, from reports in the media, and from amendments put prior to the select committee hearing, we must assume that for sheep the rental will be $1.50 per annum and for cattle, $4.50 per annum. Taking the extreme cases, which have been indicated in the media, we could be looking at $2.20 per annum per head for sheep and $6.60 per head for cattle.

If the figures that the Government has indicated are to apply in relation to rentals, the increase will be by a factor of 4.4. If the figure of $1.50 per sheep is used, or if $2.20 is used, the multiplication factor comes to 6.5. It must be borne in mind that the rental figure per sheep to this date has been 34c average throughout the pastoral zone of South Australia. Gibbs and Thompson, from the Centre for South Australian Economic Studies, have made the following calculation:

> The effect of family net operating returns, family income and cash returns, using the Australian Bureau of Agricultural and Research Economics survey over the period 1981 to 1988, indicates that increases in the magnitude that have been expressed will have some very undesirable effects on the pastoral industry and the viability of that industry in this State.

I have details here of the effects of rental impact upon family net operating returns, rent impact on short-term family income, rent impact on cash returns, and the rent increase impact over the period from 1981 to 1988. These figures have been submitted; they are in the report, and they have been tabled. In summary, I refer to the effect that it has on the net operating returns of one property, for example, over an eight-year period, 1981-88 inclusive. The average net operating return, including depreciation of family labour, averaged $2 478 per annum. Again, I point out that these figures have been tabled, so they are not fallacious figures. However, with an increase in the rental of 4.5 times—and that is the lower of the rentals proposed—the property would average a loss of $6 637 a year. Had the rents been increased by a factor of 6.5 times, the loss would have risen to an average of $12 144. They would have lost $12 144 rather than make $2 478. This relates to an average sheep and cattle property.

These figures are reflected across all properties, although in varying degrees. The properties used were a large sheep property, a large cattle property, a moderate sheep property, and a moderate sheep and cattle property. However, the one I have used is the large sheep and cattle property. These figures are constant throughout every case, and I believe it demonstrates clearly that large increases in rental, as proposed by the Bill, will have a most undesirable effect on viability and, as a result, the ability of a pastoralist to return money back to the country as he desires.

To argue for increases of the order currently sought on the grounds of a small rent increase in the past is to disregard the reasonable expectation about costs made by investors in the immediate past. These expectations were conditioned by the long-standing behaviour of the Crown in relation to rent values and their reviews. I shall explain that by quoting from the findings of the royal commission of 1927—bearing in mind that that royal commission was set up after the pastoral industry appeared to be in terrible trouble with overstocking and with low returns. The royal commission was set up to investigate those problems. The members of the commission travelled far and wide, and the

results are in the Library for all to see. The following statement is made under the heading 'Rents in relation to income tax':

> Again, whilst the present price of wool—

like today—

> continues, high values might be justified, but it is impossible to foretell with certainty that this price will continue indefinitely, and therefore the only reliable method of arriving at a fair basis of calculation is by taking an average over a period of years. It will be readily seen that the fixation of rent on any other basis may easily prove disastrous to the industry.
>
> The Government, in seeking revenue from its pastoral lands should regard the question of rent as a secondary consideration and continued prosperity and development of the industry as a paramount importance.

The findings further state:

> There are two fields open to the Government as sources of revenue—that is, rent and taxation. The commission considers the choice should fall on the latter. The pastoral industry is periodically faced with varying conditions of drought which strain the resource of the soundest pastoralist, despite the conditions prevailing. However, rent has had to be paid or else the clemency of the Government has to be sought. On the other hand, taxation on income seems to apply more fairly. When the conditions are favourable and the returns bountiful then the Government reaps the corresponding harvest. By virtue of increasing income, when the difficult conditions prevail, the pastoralist is automatically relieved of the burden of taxation when such relief is of the greatest importance to him. Therefore, the commission earnestly commends this viewpoint to the legislators and administrators.

That was in 1927, and I do not believe that anything has changed since then. The royal commission that was set up in 1927 was addressing the matter that we are addressing today. If this is in the report of 1927, why has the present Government not learnt anything about the handling, rental and returns from the pastoral industry. I suggest to the Council that if rents are increased in the order proposed we will be back to the stage where pastoralists will be unable to return enough money to continue the improvement to subdivision, to watering points and to buildings that are so necessary to keep the industry in good heart, as well as looking after the well-being of the soil and the flora.

Should the Government proceed with the proposed rentals, we will be out of kilter with every other State. I refer to details of selected leases from New South Wales, Western Australia and South Australia and to the rentals that apply in those areas. Details of these rentals have been tabled. For instance, the rental on a property in the Tibbaburra area in New South Wales running 7 000 sheep is 10c per head. In the Broken Hill area, on a property running 1 350 sheep the return is 15c per head. In the Wentworth area, on a property running 1 000 sheep the return is 16c per head. At Onslow in Western Australia, where there is a much larger pastoral run, with 37 000 sheep—an area a long way from Perth—the rental is 3.5c per head. In Leandra in Western Australia, where there is a run of 19 000 sheep, the rental is 3.6c per head.

At Meekatharra where there are 19 000 sheep it is 4c per head. In South Australia, by comparison, at Marree where there are 8 000 sheep it is 21c per head now; Blinman where there are 4 000 sheep, 26c per head; and at Yunta (each town is getting closer to the agricultural areas and to the city) where there are 6 500 sheep, it is 56c per head.

So South Australia already has a very high rental regime and is returning to the Government more than comparative properties in other States of Australia. If these rents are continued and are applied, the principal object of the Bill—reform of land care—will be unable to be carried out. There is a great risk that the money available for land care reform will in fact be paid into Treasury and so put at risk some of the principal objectives of the Government's Bill. Given that the select committee has received no evidence from the Valuer-General concerning what he considers to be the current fair market rental, it is illogical to expect the pastoral industry, or, for that matter, my Party to endorse a rental regime that is open ended, and I therefore put forward the amendments that stand in my name.

I conclude by saying that people who live in the pastoral areas of the State put up with isolation and are without the amenities that people, who live in the agricultural areas and in particular those who live in the cities, take for granted. The separation from the rest of the community is exacerbated because of the distances. They do not have mail runs other than once a week and sometimes they travel great distances to pick up their mail. Communications, although they have improved in the last several years, are still not good. The cost of travelling to and from centres of commerce and social contact is very high and education facilities are, to say the least, spartan. It is either by School of the Air or by correspondence. If they wish to proceed with their education beyond the primary level then it is virtually forced upon them to board their children in the city at approximately $15 000 per child per year at a private boarding school.

Medical help is always some distance in time away, however efficient it may be. So the costs, both physically and monetary, are very high and in those pastoral areas an increase in rental will make their existence in that area very difficult. If those people, many of whom are three, four and five generations on the land, are lost, who will come in with the expertise that they have? I suggest that it may be corporate ownership run from Adelaide with no owner-operator being in the area—absentee landlords. At the moment the majority of the land is held by owner-operators and, if we are to encourage those people to stay there and to continue, they must not be forced to pay increased rentals.

The Hon. M.B. CAMERON: First, I want to straighten out some of the misleading statements made when this Bill was put to the select committee at the end of the last session. I make absolutely clear that at no stage did the Opposition attempt to forestall the debate on the second reading or at the Committee stage. In fact, the Minister for Environment and Planning, for reasons best known to herself, sent letters to every pastoralist in this State indicating that we had held up the Bill. That was wrong and I imagine that the Minister knew that at the time she sent that letter. The Bill did not pass because debate was delayed on the Bill. On the last day of sitting we, on this side, believed that the staff in this Council had had enough on that evening, and I offered to sit the following week (and the Party was certainly prepared to support me on that) for the purpose of debating the Bill, and it was the Government's decision entirely not to proceed with that offer and it had nothing to do with us whatsoever. It is important to clear that matter up.

The Hon. R.R. Roberts: That's not what you told the pastoralists up north.

The Hon. M.B. CAMERON: Not at all. We put it to a select committee and it was supported, but we were certainly prepared to go on with the debate and the second reading at a later stage. In fact, I was somewhat surprised that the Bill went to a select committee. It became absolutely clear from the evidence presented to the select committee that, if some leases were left in limbo for a period of six years, it would have a dramatic effect on the pastoralists and on their ability to finance their runs. A large number of pastoralists would have had their finance withdrawn by their funding bodies, which were not prepared to lend money without the security of a lease.

Secondly, there was still doubt about the capital gains implications of new leases. I would be surprised if anybody has any argument with that. Even though the select committee was given a number of opinions that new leases or the cancellation of old leases would not affect capital gains in any way, I am not prepared to accept it. As we had so many varying legal opinions, I felt that it would be far better to clarify the position once and for all. I trust that the select committee has done that.

The select committee's decision is very sensible—to extend the present leases for six months, when all leases will be renewed, apart from those required for another purpose. The Opposition does not agree with terminating leases, so the Hon. Peter Dunn and I put in a dissenting report. I strongly believe that security of tenure is one of the most important factors in care of the land. Government members have said in their report that 42-year leases with 14-year reviews are in fact continuous leases. That was argued strongly by witnesses. It is a strange argument because, if Government members believe it is a form of continuous lease, why not make the position absolutely clear and make the leases continuous, so that there is no doubt in anyone's mind and there is a consistent attitude towards the land? There will still be all the discipline and power necessary to change the leases back to a limited tenure if there are transgressions, if that is what is required. Good pastoralists should not be punished but there should be power to discipline those who transgress.

The best incentive to good management is to have a continuous lease and the potential of removing that if people do not carry out good pastoral practices. Pastoralists are apprehensive about people coming in with insufficient training but with the power to tell them what to do. I trust there will be appropriate training, and I trust we will not have a repetition of the native vegetation fiasco of earlier days when officers went out into the farming lands in the settled areas of this State and created havoc by intimidation and blackmail tactics. There may not be many members in this Council who recall the Native Vegetation Select Committee, but every member on that committee, Labor, Liberal and Democrat, was appalled at the behaviour of some officers of the Crown and the way they treated some South Australian farmers. They said so publicly and changes were made to ensure that that could not happen again in the native vegetation area.

If that does occur—and I assume that it will not, because I assume that the people concerned have learned something from the situation—let me assure members that the Liberal Party will move immediately for a select committee to be established to rectify the matter. No public servant will get away with the same tactics again, while I am a member of this Parliament. It may well be that this will never occur, but I trust that departmental people who go to pastoral lands will go with a spirit of helping, not with a spirit of hindering and dictating.

The Act will work only if people work together. That goes for everybody, whether they be pastoralists or officers of the Crown, whatever part they play. There will always be differences of opinion but I trust that those differences will be sorted out in a spirit of goodwill.

We will be moving amendments, as indicated by Mr Dunn, for continuous leases. The second area where we have very real dissent from the majority of the select committee is on the subject of rents. There is no area that could do more damage to the pastoral industry and, more particularly, to the pastoralists, than high rentals. The select committee received a huge amount of evidence on this subject and there is not a single member of that committee who could deny that, if rental levels are placed too high, the damage to the pastoral families and to the working people in those areas will be enormous. How many people in this State have to face sending their children away to far distant schools in order for them to achieve a full education? They have to pay $12 000 to $15 000 or more per child per year for board and education.

Families face having children virtually leave home at the age of 12 or earlier, and the families largely lose the control of their young people. How many families have to face paying thousands of dollars a year for freight on all the goods and chattels that they require for ordinary living—and that includes the working people on the pastoral lands? How many families receive their mail once a week, and some at even greater intervals? They can be cut off by floods for months. They have no social life and a trip to town can mean thousands of kilometres in the car. Medical services are becoming harder and harder to obtain because the Royal Flying Doctor Service planes are now too large for the majority of station strips, so an accident or an illness can mean a trip of hundreds of kilometres merely to get a suitable strip for evacuation. Mothers have to give their children their education or else employ a governess, with additional costs.

That could be a real difficulty for working people on a station, whose children do not have access to a school. They would find that they were not able to allow their children to continue their education unless they had support from their employer. Those costs would not be tax deductible, so they would be a direct expense to the property. The amount of money currently allocated for outback education is insufficient to cover normal costs.

These people are there because they love the land and most of them would choose no other way of life but they will be forced to leave unless common sense prevails in the matter of rents. The Hon. Mr Dunn has outlined very clearly the potential impact of rents. Unfortunately, this Bill was conceived at a time when farm incomes were at a high level for many years because cattle, sheep and wool prices reached very high levels. I trust members in this Council who are not of the farming community are looking closely at trends today. For example, the live sheep trade from Australia is in very great jeopardy due to the rejection of our stock in our major market in Saudi Arabia for no sensible reason. Whether or not there is a good reason, if we lose that market, the price of our cast for age wethers will drop immediately from an average of $20 to about $4 or less.

The impact of that on a pastoral lease will be dramatic because that has been one of the important factors in operating a pastoral lease. If pastoralists cannot get decent prices for their cast for age sheep, in most cases the amount which they get will not cover even the cost of transport from the property. The drop of wool prices this year has been dramatic and stockpiles are building up very rapidly at present, with the Australian Wool Commission purchasing 50 per cent of the clip. Most people would be aware that, with such a good season throughout most of the continent, the wool clip will be huge, even apart from the buildup in flock numbers, so I perceive difficult times ahead in terms of wool prices.

Prices have halved from 12 months ago. It will be absolute madness if this Committee does not set down a level of rents that is affordable, sustainable and gives some certainty. It is not sufficient for members opposite to say that market factors will be taken into account when determining rents. There is too little trust in the system of evaluation for that to be believable by the people to whom this legis-

lation will apply. One has only to look at the impact of land tax in the metropolitan area to know what can occur. Pastoralists have said consistently that they would far rather have a sensible known level of rental than to have fluctuating rental levels. That way there can be some certainty of the price people pay for property, and when they set their budgets they know where they are going. The variation in incomes, not only from year to year but property to property and further from month to month, can be extraordinary. Anybody who believes that an average return can be successfully used and applied as a measure for rentals has never been a farmer.

Let me give members an example. I do not often speak about personal examples but I will on this occasion. Our family sold some wool in November 1986 and April 1987, and in that time the price of wool doubled. We sold the remainder of the wool in June, by which time the price of wool had decreased by 10 per cent. Now, if a person had sold his clip in November, within the same year his neighbours could have been receiving double the price—which is exactly what happened in our area. So one cannot operate on the basis of an average price and expect the same level of income for rentals for all properties based on the average price of the year before. Some people might operate on a different sale and receive a different price. One cannot assume that with average prices everyone benefits. Prices fluctuate dramatically.

Unfortunately, I think that most members opposite have worked in the trade union movement where wages are set and that is how they stay for the rest of the year or until the next tribunal hearing grants an increase. They have never operated a farming business and experienced the fluctuations that many members on this side of the Chamber have experienced. The only thing farmers ask for is some certainty from the Government in relation to the amount that it requires from them, and that that amount be reasonable and sensible and not subject to wild fluctuations. Then, they can sensibly plan their budgets.

I ask the Council to consider carefully the amendments the Opposition has put forward. Members on this side of the Council understand something about farming. Unfortunately, rental levels are being set on the basis of the monetary requirements of the Government and that is a very dangerous precedent to set. If one takes too much money out of the pastoral industry one leaves many pastoralists without sufficient means to carry out improvements, including improvements that the Government may require of them. I wonder what happens then?

I ask members to assist the pastoralists to stay on the land and not to drive them off, because I realise that that is the direction in which the Government is heading. If the levels of rent reach what is perceived in this Bill—that is market rental—I do not believe that pastoralists will be able to sustain them. Perhaps that is what the Government is aiming for, but I hope not.

The evidence given by pastoralists was clear cut, well presented and held nothing back in terms of information, and should be listened to. Unfortunately it seems to me that it is not being listened to, and that is a pity. People have put in a lot of effort in travelling thousands of kilometres to try to inform members opposite and I had thought in the early stages of the select committee that members opposite were listening. Regrettably, I do not think that they did and that is shown by the Bill and the amendments that are now before the Council. If the Bill passes with the proposed Government amendments, I suggest that we will see it back in the near future and, in the meantime, there will be many problems faced by the people who operate in this very important industry to South Australia.

The Hon. M.J. ELLIOTT: I was taken by surprise at the end of last session when we were told that we were not going to finish debating this Bill then but that it would be returned in August. Only at that stage did I decide to support the select committee; until that time I had made it quite clear that I was not going to support it. I have always been and have always remained firmly behind the main principles on which this Bill is based—and I said so during the second reading stage towards the end of the last session.

I was extremely annoyed by a deliberate misrepresentation which suggested that the Bill was delayed because I supported the setting up of a select committee. In fact, *Hansard* shows, for those who care to read it, that the Minister informed us that we were not returning until August, and then I said that I would support the select committee. I was willing to support it at that time because, while I had always been extremely confident about the general thrust of the Bill, there were some matters that I felt needed clarification and some matters in which I was extremely interested and hoped that the select committee, in looking at them, might give further consideration to. I will still be moving amendments relating to those matters on which I could not persuade the select committee and which I thought were worthwhile in being referred to it, along with a number of other matters that needed clarification.

Whether or not the fears that some people had about the Bill were real or imagined, the one thing that was real was the large number of people with fears and, if there were ways of allaying those fears by amending the legislation without changing its thrust or its real impact, that was not a bad thing. For the most part the select committee worked well and we had an opportunity to look at the pastoral areas—never I suppose with the detail one would like. It was a welcome opportunity to get up into the pastoral areas, to look at the country and talk with the people, although I had had a brief opportunity to do so earlier. I will leave my other comments until we debate the individual clauses.

Clause passed.

Progress reported; Committee to sit again.

The Hon. R.I. LUCAS: Mr President, I draw your attention to the state of the Council.

A quorum having been formed:

ADDRESS IN REPLY

Adjourned debate on motion for adoption.

(Continued from 16 August. Page 309.)

The Hon. L.H. DAVIS: I thank His Excellency for his speech, and I extend my sympathy to the relatives of the former members of Parliament who have passed away since the end of the last session. The Governor's speech referred to the importance of State development, and I want to address my remarks to the importance of energy and, more particularly, to the growing role of electricity in providing energy which is so vital to this State's development.

The early days of energy in South Australia are most interesting. It perhaps comes as a surprise to remember that the world's first commercial oil well was only discovered in 1859 and within a few years—in 1863—South Australia was receiving kerosene imports which of course replaced the animal and vegetable oils as the main source of fuel for lighting. Even in those early days the settlers of the South-East were finding mysterious black substances which had the appearance of oil, or certainly the appearance of bitumen. It is somewhat ironic that it is only in the past few

months that we have had commercial gas discoveries in the South-East after many years of exploration without significant success.

The early efforts to find petroleum in South Australia centred around the South-East, Eyre Peninsula, Adelaide Plains, Yorke Peninsula and Kangaroo Island as early as the 1890s but, as we know, it is only with the formation of the South Australian and Northern Territory Oil Search Company in the early 1950s which of course we better know today as SANTOS that South Australia has come to enjoy the fruits of commercial oil and gas discoveries.

The first gas was produced in Brompton as far back as 1863 and that was from imported coal. Coal gas was first used by the Adelaide City Council in 1864 for the lighting of the city squares, and in time it was used for gas lights throughout the city. In those days Sagasco was the company in charge of gas lighting the City of Adelaide. As far as electricity is concerned, the first power station situated at Port Adelaide, with a capacity of 150 kilowatts, came into operation in 1899, again using imported coal as the fuel.

In due course the Grenfell Street power station with a capacity of 400 kilowatts commenced operation in the early 1900s, and it supplied the city. We have then had the progressive installations at the Torrens Island and Port Augusta power stations, and I am sure that members are familiar with them. The early history of energy in South Australia centred very much on the need for imported fuel supplies, particularly coal. The earliest discovery of coal was in the Far West at Pidinga in 1885 and then Leigh Creek in 1888. The black coal at Leigh Creek was the subject of many unsuccessful attempts to develop a commercial operation from the 1890s until 1944.

Folklore has it that it was Sir Thomas Playford's insistence that led to the development of the Leigh Creek coal field against the advice of the engineers at the Adelaide Electric Supply Company. Even today Leigh Creek remains the only operational coal field in South Australia and it fuels the Northern Power Station at Port Augusta. In the past 10 years there has been growing interest in South Australia's energy needs through the '90s and into the next century. The Electricity Trust of South Australia has been at the forefront of examining the alternative proposals for the development of additional electricity supply.

In the early 1980s the trust announced that it was considering building a power station fired on black coal imported from New South Wales or Queensland. There was concern in the early '80s that the State lacked sufficient gas supplies. Even in those days it was accepted that the coal deposits from Wakefield, Kingston, Lochiel or Sedan may not be adequate. Then in 1983 we again had public comment by the trust on its investigations of further electricity generation from one of the many low grade coal deposits found in South Australia.

First, there was the Bowmans coal deposit, which is situated in the Inkerman and Balaklava coal belt just 16 kilometres east of Port Wakefield. In 1979 a huge test pit at Bowmans commenced and samples of coal were taken from it at a cost of $6 million for testing in West Germany and the USA. There was further examination of Western Mining reserves of brown coal at Kingston in the South-East and doubt was cast on the possibility of developing that deposit, given the environmental considerations. In 1981 there was news of a major coal find by CSR at Sedan, 30 kilometres north of Mannum on the Murray River.

In 1982 the trust, which had quite a vigorous exploration program, discovered a 500 million tonne brown coal deposit at Lochiel, 130 kilometres north of Adelaide. In addition to that Meekatharra Minerals had discovered a large coal deposit in the Arckaringa Basin. So, those were the options that existed if the trust with the support of the State Government was to develop a South Australian coal source for future power generation. In the trust's 1985 annual report comment was made by the Future Energy Action Committee (FEAC) which had been established in June 1984 and which specifically examined the feasibility of developing the Kingston deposit, the Wintinha-Meekatharra Minerals deposit, the deposit at Sedan or Lochiel. In July 1985 FEAC reported that Lochiel and the Sedan deposits offered the best overall prospects. FEAC claimed that the preliminary findings showed that Lochiel would provide the cheapest power.

In turn, FEAC was replaced in 1985-86 by the Energy Planning Executive, which comprised representatives of the trust, Sagasco, the Pipelines Authority and the Department of Mines and Energy. During the time of the Labor Government, from November 1982 through to the present, a period of nearly seven years, there has been a good deal of public debate about the merits of the various coal deposits, about the level of expected future electricity demand and about the productivity and the pricing, that is, the tariff structure of electricity in South Australia.

I have spent a good deal of time researching the available information and talking to people who have some knowledge of this subject. I have come to the realisation that there has been little public debate on this most important subject. A crisis exists about electricity prices in South Australia compared with other States; and that differential will grow unless corrective action is taken. The eastern States, particularly Queensland, followed by New South Wales and Victoria, have recognised that the availability and proper pricing of electricity are important inducements in attracting industry to their States. South Australia has dragged the chain in this respect until quite recently. I propose to demonstrate that by examining the facts available.

In the early 1970s we had the OPEC oil crisis, the explosion in world oil prices and double digit inflation, all of which turned traditional views on their head. From 1972 to 1975, at the time of the OPEC oil crisis, Australia, under the Whitlam Labor Government, was bedevilled by a recession and double digit inflation. In the subsequent years of the 1970s and early 1980s we saw a rebuilding of our manufacturing base and a steady deregulation of the financial and labour markets. Those factors have had an impact, directly or indirectly, on current and projected electricity sales. The realisation that we have to lift our manufacturing exports has seen a steady, albeit slow, improvement in our manufacturing base.

During the 1970s electricity prices decreased in real terms, while in the 1980s they increased in real terms. Between 1970 and 1980 the price of electricity, adjusted for inflation, fell by some 20 per cent, reflecting economies of scale and larger and more efficient plants. From 1970 to 1985 the growth of electricity consumption averaged 5.5 per cent per annum, and the real growth of gross domestic product over the same period was some 3.5 per cent per annum. I mention that in order to establish a correlation, which seems to span many countries, between gross domestic product growth and electricity growth. In developed countries, as a rule of thumb, electricity sales grow at about 1.5 times the rate of growth in gross domestic product.

I turn to the position in 1989. I want to focus my attention on several sources of information which enable us to draw a conclusion about electricity supply, demand and pricing in South Australia. I refer, first, to inquiries by the Industries Assistance Commission (IAC), into the electricity sup-

ply industry. Information paper No. 6, dated 17 March 1989, provides a valuable source of information about the state of the electricity supply industry in Australia, with some very useful comparative material. The first point made by the IAC, on page 4, states:

Many commercial users have expressed concern about various aspects of the tariffs charged by electricity authorities. In particular they have pointed to apparent disadvantages they face, compared with tariff levels applying to similar industries in other countries and more recently to what they regard as inefficient practices within the industry itself. They have also been concerned about apparent discrimination against industrial and commercial users in some States.

In the introductory remarks of the paper, on page 1, the IAC states:

Inefficiencies in the industry are largely attributable to electricity authorities being insulated by restrictions on competition. Furthermore, as outlined in Chapter 5, the authorities' internal operating environment compares unfavourably with privately-owned businesses because they are faced with:

- conflicting objectives;
- Government interference in the way managers run electricity undertakings; and
- pricing policies instituted by Governments to achieve welfare and regional development objectives.

Resulting inefficiencies are costly. Commission estimates suggest that economy-wide gains of around $1 billion annually could be achieved with a more efficient electricity industry.

One of the options examined by the IAC in its introductory remarks on page 2 is that increased private sector participation would allow for greater private participation in a range of activities. On the subject of private sector ownership the report states:

... this complex option has received much attention overseas. It raises issues concerned with the regulation of natural monopoly in transmission and distribution, and its associated costs.

The IAC states at the conclusion of the introductory remarks on page 6 that public inquiries have been instigated in many States into the electricity supply industry. The report states:

Their findings pointed to a range of problems relating to operational practices and to institutional constraints which impede the efficiency of the ESI and increase users' costs. Major issues which emerged included the failure of electricity authorities to apply rigorous investment appraisal techniques, the existence of serious shortcomings in internal operations of the authorities and the need to revise the basis upon which tariff structures are established. There has also been increased recognition by Governments of the need to provide electricity authorities with incentives and disciplines more closely aligned with those applying to commercial enterprises.

Finally, in section I.1, Appendix 1, the IAC makes this observation:

By international standards Australia has an inefficient electricity industry. While progress towards the achievement of international standards is underway, considerable scope for improvement still exists. Australian plants and distribution systems are overmanned and plants operate at capacity levels well below those achieved in many overseas countries. Consequently per unit generating costs are higher than they need to be.

That is a global view of the electricity supply industry in Australia from the IAC, a recent document exactly five months old. It examines the industry using a number of criteria. One of the criteria adopted is productivity. On this score, South Australia does not fare well. At section D.2 of the IAC report, the following appears:

... New South Wales, Victoria and Western Australia have all experienced significant productivity growth since 1984-85.

That is obviously an important measure of efficiency in electricity generation. The report continues:

In contrast, total factor productivity in South Australia and in Tasmania has declined in recent years.

In fact, set out in section D on page 16 are data performance indicators for the electricity supply industry in the period 1982 to 1987, the period largely of the Bannon Government.

On a number of criteria over that period of time, South Australia does very poorly in comparison with other States. In fact, the Electricity Trust of South Australia exhibited the largest decline in productivity from 1983 to 1987. A negative figure was involved during that time. The productivity of all other States' utilities increased during that time except Tasmania, and South Australia's productivity in electricity generation was the worst. That is confirmed by the data and performance indicators which I have mentioned.

For instance, in units sold per staff over the period 1982 to 1987, there was a minus figure for South Australia. All other States had a significant increase, but South Australia had a 1.1 per cent decrease in performance per annum. On the other hand, Queensland had an increase of 14.2 per cent per annum over that same period, using the criteria of units sold per staff. South Australia also did poorly in relation to installed capacity per staff and in one other measurement. That in itself is disappointing and alarming.

Total factor productivity across the States in the period from 1975-76 through to 1986-87 using a base of 1975-76, where all States are aligned shows that, in the past few years, South Australia's productivity has fallen off notably.

The Hon. T.G. Roberts: You're not comparing eggs with eggs.

The Hon. L.H. DAVIS: They have tried hard to adjust for that sort of thing. Let us look at electricity prices for the various States, because here again there is some revealing news for South Australia. In the past few years, Queensland has adopted a strategy of ensuring that price increases in the period through to 1992 will be no more than half the increase in the consumer price index. In other words, if the rate of inflation is 7 per cent, the electricity price will increase by no more than 3.5 per cent. In fact, the Queensland Electricity Commission had no increase at all in its electricity price in 1989; in 1988, it was only 3.5 per cent; in 1987, 4 per cent; and in 1986, 3 per cent. Not only has it held prices down and made a determined effort to strengthen Queensland's manufacturing base, which, traditionally, has been quite weak compared with other States, but also it has made a concerted effort to increase its productivity.

Employment by the Queensland Electricity Commission peaked in June 1984 at 5 245 but, by the end of 1987-88, staff numbers were down to 3 300; that is a reduction of 37 per cent. That might be seen as taking a long axe and handing out some pretty savage treatment, but the interesting fact, notwithstanding a dramatic 37 per cent reduction in staff numbers over a period of just four years, is that there has been improved productivity in Queensland, and some dramatic savings. In fact, from 1985-86 through to 1991-92, it is expected that savings of over $500 million will be achieved by the reduction in employment and related costs. That information was contained in a paper headed, 'An Australian perspective—the electricity supply industry and information technology.' It is reaffirmed in a very recent article in the *Business Review Weekly* dated 28 July 1989. At page 46, the following appears:

The Queensland Electricity Commission's aggressive rationalisation has already achieved its goal of producing the lowest-cost power in mainland Australia, and another price freeze is to come. At the same time its debt-equity ratio is falling.

Queensland has the lead on price and NSW and Victoria have little choice but to follow its lead if they are to remain attractive to heavy industry.

Queensland developed a strategy in 1984 to achieve the lowest electricity prices in mainland Australia by 1990, something it has achieved a year early. It was based on the closing of old power stations, slowing the building of power stations and rigorous attacks on costs.

The commission's staff has been reduced from 5 200 to just under 3 000 in four years, largely through the shutdown of old,

labor-intensive power stations. There has also been a hefty rationalisation of administrative positions.

So, Queensland has achieved its goal of bringing its electricity costs below those of other mainland States. Queensland's 8c per kilowatt hour compares with New South Wales' 8.17c, Victoria's 8.28c, South Australia's 9.64c and Western Australia's 11.39c.

For many years during the 1980s there was in South Australia a perception that electricity charges were not very great, that they were about average for Australia, and that we had nothing to worry about. The figures that I have just quoted give the lie to that. In fact, the Queensland Electricity Commission has been joined by Elcom (The Electricity Commission of New South Wales), which is saving up to $200 million per annum with a cutback of 2 000 jobs. There has been a cut of 20 per cent of staff in New South Wales, and I understand that there could be a further 20 per cent cut in staff.

The point that emerges from these very draconian staff cut backs in the Queensland Electricity Commission in recent years is that they have been achieved without jeopardising the generation of electricity and, in fact, with increased productivity. It is important for us to understand what people's perceptions are about electricity tariffs. With many aggressive State development departments in Australia bidding for new industry or trying to persuade industry to expand existing facilities within a State, South Australia—which already suffers the tyranny of distance, in many eyes—has to be competitive, arguably more than competitive, in electricity generation and pricing of electricity generation.

Another IAC report, dated 20 July 1989—which is still warm in my hands—contains a survey of Government charges on business for the 1987-88 year. There is a comparative study on the views of businesses about the level of Government charges. This relates to an inquiry into Government charges undertaken by the IAC. It was an extensive survey of 6 300 businesses throughout Australia, engaged in most areas of economic activity. One of the questions asked of these businesses concerned their views about the level of Government charges, and a number of charges were put to them—electricity, rail freight, postal services, telecommunications, water supply and workers compensation.

To the question, 'What are your views about the level of electricity charges?', 40.6 per cent of respondents in South Australia said that they were excessive. The next highest figure related to Queensland respondents (29.6 per cent). Of course, the prices in Queensland are diving sharply at the moment because there the view has been taken to hold electricity prices down to a figure of no more than half the level of inflation in the years through to 1992. As to the other States, the percentages are as follows: Victoria, 25.6 per cent; Western Australia, 26.1 per cent; New South Wales, 21.3 per cent; and in Tasmania—where hydro-electricity generation results in quite cheap electricity—only 19.5 per cent considered that electricity charges were excessive.

As to the Australian average, 25.5 per cent of respondents believed that electricity charges were excessive overall. But South Australia topped it by a long way, at 40.6 per cent. This is a perception which exists in industry in South Australia, namely, that electricity charges for their various economic activities are too high. This is the sort of perception that has to be corrected. For what is nearly seven years under the Bannon Government the situation has been weeping away; it has been deteriorating, and this perception has now been created—and I believe it is an entrenched one—that electricity charges in this State are indeed too high.

However, this goes further than being just a perception. In the past few weeks embarrassing articles have been appearing in the media, well sourced articles, suggesting that South Australian power prices are now the dearest in Australia, the most expensive on the block. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

PASTORAL LAND MANAGEMENT AND CONSERVATION BILL

Adjourned debate in Committee (resumed on motion).

(Continued from page 350)

Clause 2—'Commencement.'

The Hon. ANNE LEVY: I move:

Page 1—

Lines 15 and 16—Leave out 'on a day to be fixed by proclamation' and insert 'six months after assent'.

Line 17—Leave out '(3)' and insert '(2) to (8)'.

These amendments set a date for proclamation which is six months after assent, and this will provide time for a study to be carried out, but without its being incorporated into the legislation. This amendment will ensure that any land capability review is not lost or overlooked by providing for conversion of leases on proclamation. The amendment to line 17 is a technical change which enables the operation of a later amendment to the transitional provisions, which are to provide for an extra pastoralist to be a member of the Pastoral Board for six years.

The Hon. PETER DUNN: This is a major amendment to the Bill, which arose as a result of the select committee. I think it is a wise amendment because it clarifies two or three things that would have happened. First, I refer to the long delays that the pastoralists would have experienced, waiting to find out whether or not they had a lease and the conditions of that lease.

As a result, six months after the assent of the Bill, the pastoralists will all be issued with a 42-year lease; an assessment process will take place, and at the completion of the assessment their leases will extend another 42 years. This is a wise amendment that I believe will inspire a lot of confidence in the pastoralists, who will know that they have a lease and that they can confidently borrow money and continue operating in the future.

The amendment to line 17, which is dealt with in the schedule, was requested by the pastoralists. Again, I believe it is a wise move, because it includes a pastoralist who deals with cattle and one who deals with sheep. Whilst the Bill is being set up, I might say that it has a restriction that, at the end of six years, one pastoralist will relinquish the position on the board. That is the effect of this amendment, because the board is elected for a period of three years. So two periods would be served. I hope that the Government, in order to foster good relations with these people, reviews this situation and leaves the extra pastoralist on the board.

Amendments carried; clause as amended passed.

Clause 3—'Interpretation.'

The Hon. ANNE LEVY: I move:

Page 1, line 32—After 'and is not' insert 'part of a reserve under the National Parks and Wildlife Act 1972, or'.

This amendment ensures that the National Parks and Wildlife Service can still create regional reserves in the pastoral zone should that be thought desirable.

The Hon. M.J. ELLIOTT: I suppose I should place on the record that I have been one of those with grave doubts about regional reserves (for example, Coongie Lakes) and whether or not they are being created in the right circum-

stances. However, that aside, this is one of those situations where we almost had an unintended consequence of the Bill, namely, that the Government could not have declared further regional reserves. This is one point that the committee picked up and, although I have some doubts about regional reserves, it is probably good that we picked it up at that stage.

The Hon. PETER DUNN: This situation applies to one lease—Innamincka—which incorporates the Coongie Lakes. It is possible that there may be more instances of this in the future when we look at some of the wetlands in the middle of drylands. It may be that providing for this situation in the Bill is a good way of dealing with it. The Opposition supports the amendment.

Amendment carried; clause as amended passed.

Clause 4 passed.

New clause 4a—'Right to be heard.'

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

To insert the following new clause:

4a. A person may be heard before a court on any matter related to the administration of this Act notwithstanding that the person does not have a financial interest in the matter.

The question of third party standing before the courts—in other words, standing of people who do not have a direct pecuniary interest—is of increasing interest in our community, and it has been treated already by the law in the United States. Also, in New South Wales a law grants third party standing in a much wider sense than I am attempting to get here. In this case I am looking at just the Pastoral Land Management Conservation Act itself. I would like to draw to the attention of this Committee the 97th report of the Law Reform Committee of South Australia to the Attorney-General. Entitled the 'General Rule of Standing in Environmental Matters', it was released in 1987. That committee spent a considerable amount of time looking at the question of standing and, in fact, recommended that standing be granted in South Australia. Unfortunately, that report has been shuffled around among public servants, as I gather. The Government, having received that report, does not appear willing to act upon its recommendations—something which happens all too frequently.

It is very important that people distinguish between third party appeals before the tribunal. This was specifically precluded under the Government's Bill, and I am proposing it here. I am seeking to recognise that the general public has a very real interest in the pastoral lands, which are, after all, publicly owned. It seems reasonable that in all publicly owned lands (and I would include national parks, etc., among these, although they are not, of course, covered by this Bill) the public interest should be able to be directly tested in a court of law.

Some people have tried to suggest that the courts will be clogged with cases. We need to understand that this would be very different from the source of appeals that we have under the Planning Act, which do not involve expense in the first instance before the appeals tribunal. To appear before a court would involve a financial cost. So, the suggestion that thousands of busybodies in South Australia will be busily rushing off to court on a regular basis is an absolute nonsense. I expect that only rare cases will occur under this Act. In fact, once one puts this sort of clause in place one finds that its need disappears almost immediately, because the board, the Minister, etc., are aware that they are accountable via the courts for their actions.

The courts would also be very reluctant to rule on matters which are purely administrative. It would require a very blatant breach of the Act before I would expect a court to make a ruling. I would therefore expect, bearing that in mind, that people taking cases to the courts would be extremely wary. So the suggestion that there will be large numbers of cases and that they will be a nuisance to everybody really is nonsense. I would suggest that in a democracy giving the public the right to check that Acts of Parliament are upheld is the democratic way to go. I could point to too many cases where Governments breach Acts of Parliament. They do so quite frequently because many people who are interested in the matter do not happen to have a direct financial interest. In fact, only allowing those people with a direct pecuniary interest to test the law tends to bias the workings of the Act in a particular direction, that is, towards those with a direct financial interest.

I believe that the sort of clause I am proposing here, the whole concept of third party standing is inevitable in the long run. I only hope that the other parties in this place will eventually come around to that point of view.

The Hon. ANNE LEVY: The Government opposes the amendment which, as indicated, provides for third party appeals. It seems inappropriate in this case. It is predicated on a premise that the Pastoral Board will be ineffective and will require external goals for its accountability. It also presumes a ganging up in the membership of the board which is unlikely to occur, given its composition. On the Pastoral Board now for the first time will be direct community representation—an environmental one at that. The whole lease assessment information and report is part of a package of public documentation. They are both qualitative and quantative assessments, so there is no secrecy at all on what is occurring. When information is public, as it will be in this way, it can then be debated in the public arena, either by direct representation to the Minister, questions in the Council and publicity through the media. That seems preferable to adding to court proceedings.

The Hon. M.J. ELLIOTT: The Minister made rather a bald claim that was inappropriate in this case. I do not agree with that. To simply suggest that by having a member of the public—and an environmental one at that (they were the Minister's words)—on the board would be sufficient is a falsehood. I can point to the Waste Management Commission on which there is a member of the public—an environmentalist at that—yet that commission has failed to uphold its own Act. It has very clear guidelines as to the way it should behave. It does not do so. Simply having a person, who lacks a seconder, does not guarantee that the public interest is upheld. It puts a voice there, but does not give a legal guarantee.

The Hon. PETER DUNN: The Opposition opposes the clause, as an avenue exists through the board, which must report to the Parliament. I have no doubt that the Opposition would soon hear of cases from aggrieved persons and bring it to the attention of Parliament when reports come down. For those reasons and for the reasons put forward by the Government, we oppose the clause.

The Hon. M.J. ELLIOTT: If we look at the way the national parks legislation has worked recently in South Australia, that disproves the argument that, by the public being aware of what is happening, we have some sort of guarantee. We need only look at what has been happening in national parks with the Wilpena development. The public has been aware of that, with the Government going against management plans in relation to the proposed developments. Yet there was some question whether or not third party standing would be available, even in national parks. I am under the impression that eventually the courts may give a ruling in favour of granting standing. To say that public knowledge is sufficient or to suggest, as did the Hon. Mr Dunn, that

the Opposition can raise it in Parliament is something of a nonsense.

New clause negatived.

Clause 5—'Duty of the Minister and the board.'

The Hon. ANNE LEVY: I move:

Page 3, lines 9 to 15—Leave out subclause (2).

This is a procedural matter.

Amendment carried; clause as amended passed.

New clause 5a—'Assessment of land.'

The Hon. ANNE LEVY: I move:

Page 3, after line 15—Insert new clause as follows:

5a. (1) Assessment of the condition of land pursuant to this Act—

(a) must be thorough;

(b) must include an assessment of the capacity of the land to carry stock;

(c) must be conducted in accordance with recognised scientific principles;

and

(d) must be carried out by persons who are qualified and experienced in land assessment techniques.

(2) On completing an assessment of the condition of land, the board must forward a copy of the assessment to the lessee.

(3) The board cannot take any action under this Act pursuant to an assessment unless—

(a) the lessee has been given at least 60 days in which to consider and comment on the assessment;

and

(b) the board has given consideration to such comments as the lessee may have made during that period.

This picks up the concerns of members that lessees should have full knowledge and be consulted on assessment reports before the board makes any decisions on lease conditions. If the process is working as it is intended to work, the lessee will be involved in the assessment. He or she will be present during the field surveys and consulted on the selection of photo point sites and so on. This consultation should mean that the report will hold no surprises for the lessee. Members should also note that the lessee has a right of appeal against lease conditions determined following this assessment, should he or she feel that there is a matter for argument.

The Hon. M.J. ELLIOTT: I support the new clause. In the select committee, I pursued an amendment which was on file in the last session and which provides for a legal guarantee that the assessments be lodged at a State library, but I had no support for that. I do not intend to pursue this at present.

The Hon. PETER DUNN: It was initially the request of the Opposition that the lessee be given 60 days notice. If an assessor is sent up the Birdsville Track or to the Far North and if there is inclement weather as was experienced earlier in this season, 60 days is reasonable. Many pastoralists get only one mail a week, so things could get a bit tight. Paragraph *(b)* of subclause (3) of proposed new clause 5a spells out clearly that the lessee has the right to make a contribution to those assessments. That is fair and reasonable.

New clause inserted.

Clause 6 passed.

Clause 7—'Pastoral land not to be freeholded.'

The Hon. ANNE LEVY: I move:

Page 3, line 31—After 'that is to be used' insert 'wholly or principally'.

This amendment further clarifies the area of land to which the clause refers, namely, pastoral leases. Pastoral leases are not granted using this type of wording, but they do have a more general intent in relation to agricultural activities, including grazing. The only leases that would be at risk are the expiring leases that are not renewed on time, but these can be fixed by the form of words used in the lease documentation. This amendment further clarifies the situation.

The Hon. PETER DUNN: The Opposition supports the amendment.

Amendment carried; clause as amended passed.

New clause 7a—'Pastoral Land Management Fund.'

The Hon. ANNE LEVY: Because this clause is in erased type, as a suggestion to the other place, I move:

Page 3—After clause 7, insert new clause as follows:

7a. (1) The Minister must establish a fund to be entitled the Pastoral Land Management Fund (in this section referred to as 'the fund').

(2) The fund will consist of—

(a) a prescribed percentage (being not less than 5 per cent or more than 15 per cent) of the amount received each year by way of rent paid under pastoral leases as reduced by the administrative costs attributable to administering those leases;

(b) any money provided by Parliament for the purposes of the fund;

(c) any money paid into the fund pursuant to any other Act;

and

(d) any accretions arising out of investment of the money of the fund.

(3) The amount to be paid into the fund in respect of a particular year pursuant to subsection (2) *(a)* must be paid into the fund no later than 30 June of the next ensuing year.

(4) The money in the fund may be invested in such manner as the Minister thinks fit.

(5) The fund must be applied in such manner as the Minister, on the recommendation of the board, thinks fit for the following purposes and in the following order of priority:

(a) research into techniques for pastoral land management, for prevention or minimisation of pastoral land degradation and for rehabilitation of degraded pastoral land;

(b) the publication of research findings and dissemination of information relating to those techniques;

(c) experimentation with and practical development of those techniques;

(d) such other projects relating to the management and conservation of pastoral land as the Minister thinks fit.

The proposal for a research fund indicates one of the ways in which the Government intends to use the increased revenue resulting from fair market rentals.

The Hon. M.J. ELLIOTT: The Pastoral Land Management Fund was discussed for a few months and the Minister eventually picked up the concept. While the people had asked for perhaps 10 per cent, I think that under some pressure he finally agreed to a figure of between 5 per cent and 15 per cent, the argument being that in the early days the rent collections would be low and people would not have as much money to spare. I had not picked up the wording of subclause (2) *(a)* which provides:

... a prescribed percentage (being not less than 5 per cent or more than 15 per cent) of the amount received each year by way of rent paid under pastoral leases—

and then, the sting in the tail—

as reduced by the administrative costs attributable to administering those leases.

In other words, it was 5 per cent to 15 per cent of the money left over after administration. What are considered to be administrative costs? Is that simply the paper work done here in town, or does it also include all the assessment work, in which case it is 5 per cent to 15 per cent of a much lower figure than many people initially anticipated?

The Hon. ANNE LEVY: I understand that the deduction will relate to administrative costs, assessment administration and valuation of leases.

The Hon. M.J. ELLIOTT: Is the Minister willing to give some sort of ballpark estimated figure as to what sort of money will be left over after deducting administrative costs?

The Hon. ANNE LEVY: At this stage, that would not be possible, because market rentals will obviously fluctuate according to the season and, as a consequence, the total

income is unpredictable. The amount to go into the Pastoral Land Management Fund will also have to be unpredictable.

The Hon. M.J. ELLIOTT: I did ask for at least a ballpark figure, but obviously that is not forthcoming. In the first couple of years the rent return will be relatively low. In discussions I had with the Minister's officers there was some suggestion that there might be a minimum guarantee of money for the pastoral fund, and it was suggested that that should not be in the Bill. What sort of money will be guaranteed during the first couple of years while the rent received increases to the point where there is a real surplus over and above administrative costs?

The Hon. ANNE LEVY: I can guarantee that some resources will be put into the fund while the payments are low.

The Hon. M.J. ELLIOTT: Does the Minister have a ballpark figure on that?

The Hon. ANNE LEVY: I understand it would be about $30 000 to $40 000.

The Hon. PETER DUNN: Proposed new clause 7a (2) *(b)* provides:

any money provided by Parliament for the purposes of the fund;

In other words, Parliament has to pass the appropriation of moneys for this fund?

The Hon. ANNE LEVY: I do not think the clause provides that we would be required to do so; it makes provision so that Parliament can do so. Presumably this is one of the means by which some money can be paid into the fund before market rentals are achieved.

The Hon. PETER DUNN: There really is a sting in this proposed new clause which has only occurred to me since we have looked at it in that light. The wool industry puts about 4 per cent of its gross return into research and development—there is 8 per cent in total, but 4 per cent goes into promotion—and that comes back to the State in varying degrees. The Department of Agriculture is a recipient in relation to CSIRO funding, as are other organisations I guess. I live on the inside country, or in the agricultural area, and my advisers are paid for, basically, from consolidated revenue, and they also ask for funds for specific projects from industry. Why should the pastoral industry have to supply over and above what people in the inside country have to pay for the benefit of living 600 or 800 kilometres from Adelaide?

The Hon. ANNE LEVY: I point out that this fund is not for research into agricultural or productivity related matters; it is specifically for research into range land management and, as such, is quite different from the sources of funds that the honourable member was citing. I point out that proposed new subclause (5) provides the type of research that the fund will be used for.

The Hon. M.J. ELLIOTT: The reason why I am so supportive of this fund is that it really will take a holistic approach to range land management. Unfortunately, approaches from within the industry, generally speaking, tend to be narrower and are based only on animal husbandry, wool production or some other consideration.

I am not saying that they are not important matters, but I believe that this legislation as a whole is important because it takes such a wide view and sees everything as being interrelated. I recognise that the sorts of research that will happen under this fund will come from that same direction. It really will look at the sustainability of what we have in the northern part of our State. It is important that research funding begins on that basic precept.

The Hon. PETER DUNN: The Minister said that it will only go to management, but it clearly refers to the prevention and minimisation of pastoral land degradation and for rehabilitation of degraded pastoral land. There will be research into degradation and rehabilitation of pastoral lands. It is virtually giving an open cheque book for something that will be picked up in other industries by the Government. That is my point. In effect, it is being stated that these people will have to pay for themselves. Some money may come from the Department of Agriculture, as I know there are officers in Port Augusta. I do not pay a specific fee to go into management of my property when I sell my wool, and it is not even in the Bill that is before another place.

Suggested new clause inserted.

Clauses 8 and 9 passed.

Clause 10—'Establishment of the Pastoral Board.'

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

Page 4, line 23—After 'one' insert ', being a person who has, in the opinion of the Minister, wide experience in administration of pastoral leases,'.

I am seeking to give some sort of guarantee as to the expertise of the various board members. At present, those members of the board who are nominated by the Minister of Lands, and also by the Minister for Environment and Planning, are not required by the Act to have any expertise. I believe that the only sensible solution is to give some sort of guarantee that they will have the relevant expertise. Too many boards are already operating in this State. We have sitting on those boards people who do not understand the problems that they must tackle.

I believe that requiring such qualifications is just as important for the pastoralist as it is for the conservationist. From both angles one would like people to have the relevant expertise and understanding of the area. I found it hard, until now, to understand why the Government resisted this proposal when, at the same time, we now have in another place the Soil, Vegetation and Land Bill, but under which every nominee has clearly defined what his expertise should be. Why the Government is so inconsistent is beyond me. I ask the Minister why up until now the Government has not supported the concept here, yet it has for the soils Bill in another place.

The Hon. ANNE LEVY: The Government opposes this amendment. It has already indicated that the ministerial nominees will have the required expertise. The Government does not see any reason specifically to bind the nominations of the different Ministers, as other expertise may well be required as time passes. It is to keep a flexibility that the Government opposes the amendment, given that we feel that sufficient safeguards for appropriate expertise are already inserted.

The Hon. M.J. ELLIOTT: Can the Minister explain the apparent inconsistency whereby the Government has been willing to include such a provision in the soils legislation and yet unwilling to do so in this Bill? I would have thought the same arguments would have applied in both cases.

The Hon. ANNE LEVY: I do not represent the Minister of Agriculture in this place.

The Hon. PETER DUNN: I would have thought that in a specialist industry like this some qualification from the responsible Minister would be appropriate. That leaves a wide range of people: many people in either the Lands Department or the Agriculture Department would have expertise. One person will be appointed on the nomination of the Minister for Environment and Planning. At least that nominee is specified. That is fair and reasonable and if such a provision is in other legislation, I see no reason why it should not be included in the Bill. I therefore support the amendment.

Amendment carried.

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

Page 4, lines 24 and 25—Leave out all words in these lines and insert 'one, being a person who has, in the opinion of the Minister for Environment and Planning, a wide knowledge of the ecology, and experience in the management, of the pastoral land of this State, will be appointed on the nomination of that Minister'.

The arguments in this case are exactly the same as those applying to the amendment previously carried, and I do not need to comment further.

Amendment carried.

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

Page 4, line 27—After 'conservation' insert 'of pastoral land'.

The addition of these words gives a guarantee that the experience is relevant. It is a matter of having a wide experience not just in land and soil conservation but in the pastoral lands as well. It is a different climate and in many cases a different geology, and I would argue that 'relevant experience' is most important. The amendment testifies to that.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 4, lines 30 and 31—Leave out 'an organisation or organisations representative of pastoralists' and insert 'the United Farmers and Stockowners Association of S.A. Incorporated'.

This amendment responds to various concerns that the nominees could be selected from small groups outside the mainstream. If we nominate the major organisation, it ensures that it will have a representative.

The Hon. M.J. ELLIOTT: This amendment is similar to one that I had on file to the Bill in the previous session and I support it. I hope that organisations will be asked to put up a nominee, rather than having to put up a panel from which the Minister can choose, because Ministers tend to use that power to get a board not necessarily doing the best job but one which suits whatever their political perspective may be. If we want true representation, eventually we shall be asking organisations to put up the number of nominees for the number of positions that exist rather than asking for large panels to choose from.

The Hon. ANNE LEVY: I am surprised that the Democrats have not moved to amend this amendment by stressing that the nominee from the UF&S should have experience in pastoralism. The honourable member suggests that, if the UF&S nominated a pig farmer from the South-East, that would be appropriate. It would seem that, in the light of his comments earlier regarding the necessity for expertise in the pastoral area, he should be consistent and move to add it in this case also.

The Hon. PETER DUNN: We are back to bringing home the bacon again, and we know what a failure that was last year. The Opposition supports the amendment.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 4, lines 34 and 35—Leave out 'an organisation or organisations formed to promote conservation and environmental issues' and insert 'the Conservation Council of South Australia Incorporated'.

I am waiting for the Hon. Mr Elliott to move his amendment, if he is to be consistent. We have already had the inconsistency that Ministers' nominees must be experienced in pastoralism but a group's nominees apparently do not have to be experienced.

Amendment carried; clause as amended passed.

Clauses 11 to 13 passed.

Clause 14—'Conflict of interest.'

The Hon. ANNE LEVY: I move:

Page 6, after line 5—Insert '(not, in the case of a member who is a pastoralist, being a benefit or detriment that would be enjoyed or suffered in common by all or a substantial proportion of pastoralists)'.

This further clarifies the operation of the clause. It ensures that a pastoralist representative does not have to step aside from any general discussion or decision which could impact on all pastoralists financially—for example, board policy on rental rebates or some such matter. I make it clear that that would not be regarded as a conflict of interest.

The Hon. PETER DUNN: This is a reasonably wise amendment. It was put forward by the Opposition at some stage and has been taken over by the Government. We applaud that. It was the case perhaps of setting rentals and the pastoralists' representative not having had representation because it would affect his income. It is wise that the pastoralist need only take himself off the decision-making when the decision being made by the board specifically affects his property or lease.

Amendment carried; clause as amended passed.

Clauses 15 and 16 passed.

Clause 17—'Grant of leases.'

The Hon. ANNE LEVY: I move:

Page 7, lines 18 to 20—Leave out 'on such conditions (including maximum stock levels) and with such reservations as the Board thinks appropriate'.

This links up with a later amendment as indicated in the circulated sheets. It will permit the insertion of new clause 19a which deals with lease conditions.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 7, line 26—Leave out 'or'.

After line 28—Insert word and paragraph as follows:

or

(c) if the Minister is satisfied, on the recommendation of the board, that for any other good and proper reason it would be just and equitable to offer the land to a particular person.

The two amendments are interrelated. Proposed new paragraph *(c)* provides a general power of offer without having to go to auction all the time. It will enable the Minister to offer a lease to a lessee who is initially excluded because the lease is to be resumed, but the agency involved may have decided not to proceed with the acquisition. The offer will then be able to be made.

Amendment carried; clause as amended passed.

Clauses 18 and 19 passed.

New clause 19a—'Conditions of pastoral leases.'

The Hon. ANNE LEVY: I move:

Page 8—After clause 19, insert new clause as follows:

Conditions of pastoral leases

19a. (1) A pastoral lease will be granted subject to conditions and reservations providing for the following matters (but no others):

(a) general conditions providing for—

(i) the area of land subject to the lease;

(ii) the term of the lease;

(iii) the payment of rent annually in arrears;

(iv) the lessee's obligation to pay in the due manner all rates, taxes and other government charges in relation to the land;

(v) the lessee's obligation to comply with the following Acts and any regulations under those Acts to the extent that they apply in relation to the land:

(A) the Animal and Plant Control (Agricultural Protection and Other Purposes) Act 1986;

(B) the Dog Fence Act 1946;

(C) the Mining Act 1971;

(D) the Petroleum Act 1940;

(E) the Soil Conservation Act 1939;

(F) the Water Resources Act 1976; and

(G) any other prescribed Act;

(vi) the lessee's obligation not to hinder or obstruct any person who is exercising a right of access to the land pursuant to this Act or any other Act;

(b) land management conditions providing for—

(i) the lessee's obligation not to pasture (as part of the commercial enterprise under the lease) any species of animal on the land other than the species specified in the lease, except with the prior approval of the board;
(ii) the lessee's obligation to ensure that numbers of stock on the land or a particular part of the land do not exceed the maximum levels specified in the lease, except with the prior approval of the board;
(iii) the lessee's obligation not to use the land for any purpose other than pastoral purposes, except with the prior approval of the board;
(iv) the lessee's obligation to maintain existing fencing in a stockproof condition;
(v) the lessee's obligation to maintain existing constructed stock watering points in proper working order;
(vi) the lessee's obligation to close off specified areas on the land, or to close or move specified access points on the land, for the purposes of rehabilitation of degraded land;

(c) reservations providing for—
(i) the property in minerals, petroleum, underground waters and live or dead standing timber on or under the land to be vested in the Crown;
(ii) the right of the Commissioner of Highways to establish public roads across the land.

(2) The form of a pastoral lease and any matters (such as maximum stock levels) to be specified in the conditions of a lease will be determined by the board.

(3) The only conditions of a pastoral lease that can be varied by the board pursuant to this Act are the land management conditions.

(4) Nothing in this Act prevents a lessee and the board from entering into an agreement for the variation of a condition of the lease.

The proposed new clause responds to the concerns expressed by some pastoralists that, otherwise, they would not know what is contained in the lease. The Minister in another place foreshadowed this amendment during the debate that took place in April.

The Hon. PETER DUNN: The Opposition supports this amendment, which should have been included in the original Bill. It sets out specifically what is entailed in a lease and the conditions that can be laid down and varied in respect of a lease.

New clause inserted.

Clause 20—'Rent.'

The Hon. PETER DUNN: I move:

Page 8—
Lines 12 and 13—Leave out 'an amount determined annually by the Valuer-General' and insert 'a prescribed amount'.

This clause will cause not only the Bill to rise or fall but also the pastoral industry. I said earlier that there have been two royal commissions into this industry—because the land has been degraded or there has been a series of droughts and the industry has gone backwards. One has only to read the reports of the royal commissions to know that. An important comment in both reports is that the rental needs to be set over a longer period. Initially, the tenure was for 21 years, but in 1927 that was extended to 42 years. Along with that extension was a very strong recommendation in the 1927 royal commission that rentals be adjusted every 21 years.

My amendment reduces that adjustment to every seven years. If the industry is to be ruined or even put under pressure, as is the case on Eyre Peninsula where about 300 to 400 farmers are probably broke and will have to leave their properties, we should continue down the path that this Bill takes us. However, that would be stupid.

I do not know whether the Minister has worked it out, but the proposed increase is from $1.60 to $2.80 per sheep—think what that will do to the industry. I pointed out in my comments in respect of the select committee that, if you increased the rate by the maximum amount, be it $2.80 or whatever, you will have a property which could have made a profit of $2 700 in one year suffering a loss of over $12 000. If you think that that is good management or a good idea, you go down that track, but be assured that, under the amendments foreshadowed, if we put 80c as a starting point, we cannot even go backwards if the industry topples over.

The Hon. M.B. Cameron: Yes, you can.

The Hon. PETER DUNN: As I read it, you cannot, but I am informed by my Leader that you can. If he says so, I guess it is right. However, the legislation says until it builds up to market rental. Look at today's auctions and you will find that 48 per cent of the wool offered is being bought by the commission, not by buyers, because they just do not have the money or the demand for the wool. It is highly likely that wool prices will come back very dramatically and, if that happens, we will find ourselves in real trouble. As I said, two royal commissions highlighted the fact that when you charge people too much they do not put the money back into land reclamation and into looking after the land.

I pointed out earlier that because of modern technology people can take stock off the land rather quickly and are able to look after the land better than they did. If you charge people too much to put the sheep on the land, charge too much rental, people will not want to take the sheep off. They will want the wool off the sheep, with the result that there will be more pressure on that land—just as happened on Eyre Peninsula. The farmers got into financial trouble, closed up their rotations and are now causing more land degradation, not because of their techniques but because of financial constraints—and that is just what the Government is doing in this Bill. It will finish up putting more pressure on that land. The Minister can say, 'We will tell them what they can do from outside,' but she knows that that just does not work in today's society. We have to give them some self respect and keep the rentals to a minimum. I point out that on average the present rental in this State is 36c per sheep. We are already increasing it by 75 per cent to 50c under the provisions of this clause.

If inflation gets out of hand to such a degree that it cannot be picked up in seven years, God forbid for this society. My proposal is fair and reasonable. The Taxation Department picks up any excess money which a pastoralist may have. That money should be put back into that industry, as was pointed out in the Royal Commission.

The Hon. M.B. CAMERON: As has been pointed out by the Hon. Mr Dunn, this is a key part of the Bill in terms of survival of the pastoral industry. There may be people who think that it is a good thing to see the pastoralists go off the land. It may well be that people will be smiling smugly at that thought, but if that occurs it would be a shame for the State. There is little doubt that this amendment will fail. I understand how the numbers work in this Chamber and that this very sensible amendment will not succeed.

I think it is a shame that the Hon. Mr Elliott—who is responsible for the passage of his amendment—has not been able to live up to the reputation that he has been attempting to gain within rural areas, namely, of being the friend of the farmer. By this very thing that he is doing now—

Members interjecting:

The Hon. M.B. CAMERON: Oh yes, he has been working valiantly in the South-East and in many other places to woo the rural vote. However, this measure will identify quite clearly the fact that he is not prepared to ensure the survival of a group within the rural industry. I wonder whether

people listened to me when I said that, if we lose the live sheep trade, the price of sheep wethers will drop to about $4—and that is a fairly high estimate, I would think. This is because, first, we do not have the killing capacity any more to handle the number of stock that come off the land and, secondly, we do not have the market for frozen meat or fresh meat from aged sheep any more.

That being the case, in fact, the rental levels suggested in the Bill after a five-year period will be very close to the value of the sheep that are going off the pastoral lands—and that is not allowing for any transport costs. In fact, the end result of this will be that a hell of a lot of sheep up north will have their throats cut because it will not be worth having them on the land. The decision will be made on the basis of, 'Let's get rid of as many old sheep as we can every year.' The only way they will be able to get rid of them will be by cutting their throats because they will not be worth enough. Thus, we will have the situation where sheep will be destroyed for one reason—and for one reason only—namely, to save the cost of having them on the land, that is, the rent.

The Hon. J.C. Irwin: Can you get rid of the kangaroos?

The Hon. M.B. CAMERON: No, you can't. In fact, in my short time in farming (and I am only a young man) I have seen stock drop to values that no-one in this place would believe possible. But it can happen in a flash. I have bought them at 30c a head within the past 10 or 15 years.

The Hon. Peter Dunn: I gave them away.

The Hon. M.B. CAMERON: Yes. So, I do not think that the people who designed this amendment or this legislation really understood what they were doing. I know that members opposite will get up and say that it will all trend backwards from that maximum level and that if the market reaches a certain level the price will come down. However, they cannot fool me. The price will never come down to a sensible level. The problem is that the whole Bill—with this amendment being part of it—is designed as a money-raising measure for the Government. Every member sitting opposite knows that. That is the reason, entirely.

The Government has designed the Bill along the lines of what it thinks it needs to run the land, but it is not prepared to put any money in. That is the commitment of this Government to these lands. It is saying that the people who live on the land will pay it all. The end result of that will be that the people on the pastoral lands will not be able to afford improvements.

I know something of this matter. I have a brother-in-law who is a pastoralist in Western Australia. If one wants improvements, if one wants to make one's property run better and if one wants to preserve certain areas, every year one has to make a decision to spend money. However, if one does not have the money to spend one cannot do those things and the end result is that the stock cause damage. That is what happens. No matter how many property plans are put up, if one does not have the money to do the necessary improvements they simply have to be put off. Members opposite will try to force the farmers to do various things, but inevitably pastoralists will not be able to achieve what is required.

It is a damn shame that it is unlikely that our amendment will succeed. If it does not succeed, I indicate that the legislation will come back—immediately after the next election, and some sensible level of rental will be set. That is a commitment that the Opposition gives. It is clear and unequivocal. It is a damn shame that that has to happen. Many parts of the Bill are good and are needed. We accept that and as to those matters no-one has argued about them, not even the pastoral industry.

The problem is that the Government is designing this legislation in such a way that, inevitably, some changes will have to be made. I had hoped that, this time, we would get rid of the Pastoral Bill forever and that there would be acceptance of it by everyone in the community. However, this will not happen if any amendment, other than this one, is passed. That is a simple fact of life. If the Government does not support the amendment it can look forward to the return of the Regulation.

The Hon. ANNE LEVY: I oppose this amendment. It is designed to be totally contrary to the principle of a fair market rent. The Government has certainly acknowledged that an immediate move to fair market rents could impose a hardship on some small leases.

Consequently, amendments have been introduced relating to transistional provisions. It has always been agreed that there would be transitional provisions in rental payments to enable a slow adjustment to fair market rents.

I draw the attention of members to the hardship provisions, which enable the board to reduce, waive or defer rentals, so that, where there are genuine cases of hardship, the board will take that into account. Further, the Opposition is ignoring the fact that this land belongs to the whole community, and the whole community should share the good times and the bad times. That is the principle: the pastoralist is not the owner of the land—he or she is the lessee. By means of the rent paid, which will fluctuate according to the seasons, the whole community will share both the good times and the bad times.

The Hon. M.B. CAMERON: I think the Minister is saying to the pastoral community, 'We will give you a poison pill but it will not kill you for five years. It is a slow death.' Does the Minister think these people are stupid? Does she think they do not understand what this Bill is designed to do? With those few words, the Minister has just demonstrated her total lack of understanding of how farms operate. I tried to explain that to her when I spoke to clause 1 of this Bill. I will not repeat myself.

The Hon. Anne Levy interjecting:

The Hon. M.B. CAMERON: I will now. As the Minister is being provocative, I will now go right through it again. Every time she does that—

The CHAIRMAN: Order! There is a member on his feet. He shall be heard in silence.

The Hon. M.B. CAMERON: Mr Chairman, you must stop her interjecting. She is very rude. Mr Chairman, I will speak through you to the very provocative Minister, who does not have one iota of understanding of how farming operations occur.

I tried to explain earlier that prices fluctuate enormously from week to week, month to month and year to year. One cannot design a rental system to meet that sort of criteria and be fair. It does not work that way. Prices go up and prices go down within a month. When wool prices went to astronomical heights, it all happened in two or three months and two or three months later they were going down again. The people at the top get all the benefit and the people at the bottom do not get any benefit. They all have the rent adjusted and the fellow at the bottom pays at about half way. One cannot design that sort of system and be fair. It is far better having a system with a fixed rent. The pastoral industry is prepared to accept that, but at a reasonable level.

If we continue in this direction we will open up Pandora's box. Eventually the Bill will be brought back to the House. If that does not occur, we will not have a pastoral industry in five years, as we will destroy these people. When I think of the kind words that were spoken to people up there by members opposite, I wonder whether those people now

remember them and realise that it was all a waste of time. They might as well not have come and given evidence, because it did nothing whatsoever to the intentions of the Government. It was simply a waste of time. Thousands of kilometres were travelled, many words were spoken and much information was given—all for nothing.

It is very sad that this Government is intent on sharing the good times and the bad times. You have to be joking, Madam Minister. That is not the way it will operate. There will be nothing left to share. It is a great pity that we are stepping in this direction and a great pity that it is being supported by a group that I thought had some understanding of the person on the land, namely, the Australian Democrats.

The Hon. PETER DUNN: The Minister's comments would make me stand up all night. It is a Bill of envy—that is simply what it is about. It is a bureaucratic bungle. The Government wants an empire so that it can tell people up there what to do.

The Hon. T. Crothers interjecting:

The Hon. PETER DUNN: Who asked him to interject, Mr Chairman?

The CHAIRMAN: Order!

The Hon. PETER DUNN: We took evidence from people in that area. They showed us their records for up to 10 years and we could not justify increasing the rent for a long period for even one person. If those rentals are to fluctuate it becomes a taxation measure. It is not rental but rather tax on profits. If we are to continue down that track, we will finish up with the Federal Government taking over. These people pay an enormous amount of tax now, particularly under the present tax system where averaging is difficult. In probably six out of 10 years they have a negative income.

If we do not understand the industry we cannot understand why rents ought to be set at the rate I am suggesting—5c to 50c with a discount for distance and a review every seven years. That is plain and simple. It was stated in two royal commissions and Thompson from the Adelaide University stated it using ABS figures, yet the Government cannot and will not see the facts.

The Hon. M.J. ELLIOTT: From the outset, I have made clear that I believe it is reasonable that rents be increased and that I supported the concept of fair market rental. The proposal in this amendment of a variation of no more than 50 per cent (and that can occur at best only every seven years) suggests that there would be no increase at all in real rentals.

Having said that I support an increase in rentals, I am also aware that the rental levels that now prevail have prevailed for quite a considerable period and that pastoralists operating in the pastoral lands now might have made investment decisions—either to purchase properties or to locate water points—which would have involved considerable expenditure. They would have projected their expenditure on current rentals and not anticipated any significant change. It is for that reason that I have argued consistently that any move to a higher rental must happen in a graduated fashion.

Following the vote on this amendment, I will move an amendment which will enable a move towards the concept of market rentals, but that will happen in an orderly and predictable fashion. It will mean that pastoralists will be able to do their calculations at least on costs in coming years. They will at least have a reasonable idea of what is likely to happen to rentals because of the formula I will suggest. I simply do not accept that rentals should continue at their current level.

The Hon. Peter Dunn: We are not proposing that.

The Hon. M.J. ELLIOTT: The honourable member is proposing exactly that because, if he does his sums, he will see that the suggestion of 50 per cent maximum over seven years or more indicates that, in real terms, there is no change at all in rental. Anyone with any understanding of arithmetic would know exactly that.

The Hon. Peter Dunn: Are you saying that it should go up continuously?

The Hon. M.J. ELLIOTT: I am saying that the Opposition's proposal envisages no real increase at all in rents.

Members interjecting:

The CHAIRMAN: Order! There is too much audible conversation. The Hon. Mr Elliott is on his feet.

The Hon. M.J. ELLIOTT: I take the approach that the lands are public lands, and always have been. I do not think that people can complain about that aspect. On too many occasions in South Australia's history what has clearly been public land has progressively been alienated. The situation with the shacks is an excellent example of a steady alienation which eventually led to freeholding. I can understand the view of the people who do not want any increase in costs; members will not find anyone who will say, 'I am willing to spend more money.' I must expect there to be some opposition on that basis alone.

The Committee divided on the amendment:

Ayes (9)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, Peter Dunn (teller), K.T. Griffin, J.C. Irwin, R.I. Lucas, R.J. Ritson, and J.F. Stefani.

Noes (10)—The Hons T. Crothers, M.J. Elliott, I. Gilfillan, Anne Levy (teller), Carolyn Pickles, R.R. Roberts, T.G. Roberts, C.J. Sumner, G. Weatherill, and Barbara Wiese.

Pair—Aye—The Hon. Diana Laidlaw. No—The Hon. M.S. Feleppa.

Majority of 1 for the Noes.

Amendment thus negatived.

[*Sitting suspended from 6.4 to 7.50 p.m.*]

The Hon. ANNE LEVY: I move:

Page 8, line 13—After 'Valuer-General' insert 'and will, subject to subsection (2), be payable annually in arrears'.

This provision is designed merely to enforce what has long been said: that rents will be paid in arrears and, in that way, the rent will take account of the average stocking, the actual stocking rate of last year and movements in the market price of meat, wool, sheep, etc., which will determine the market rent and whether the base rent rises or falls. The provision makes clear that the rent is paid in arrears.

The Hon. M.J. ELLIOTT: I move that the amendment be amended as follows:

Page 8, after line 13—After 'Valuer-General' insert ', but cannot, in respect of any year, exceed (in relation to land used for the pasturing of sheep or beef cattle) the fixed maximum rent for that year.'

Not only do I support the concept of determining rent in arrears, but also I think there needs to be a specific mechanism about how to do so. Another amendment to be moved subsequently by the Minister talks about the need to have regard to the capacity of the land to carry stock and several other matters, but my amendment determines the maximum rent that can be charged per head of sheep or cattle. It sets out the maximum rent for the first year, and that maximum has a limit in each succeeding year, the increase being based for that first year, on the CPI for all groups indexed for Adelaide plus 10 per cent.

In that way the rent will increase gradually year by year until eventually it reaches the market rental. The Valuer-General will set the market rental each year but, under my

amendment, the market rental most likely will not be charged for some years but rather this formula will be in force. It will mean that pastoralists will pay whatever is the lower, the market rent or the rent as derived from the formula.

The Hon. M.B. CAMERON: As the amendment is now basically the Hon. Mr Elliott's, I would like to ask him some questions. Can he explain why, if 80c is considered an appropriate amount now, he believes it necessary to add not only the CPI but also 10 per cent in each succeeding year.

The Hon. M.J. ELLIOTT: I thought that I had made it clear that I support the concept of a fair market rental. I have also said that if the fair market rental is high, which it would have been in recent times because of wool prices, although they are collapsing, it would have been unfair if the massive increase occurred in one year. We would have gone from a figure, which obviously varies from property to property, of 20c to 30c up to $2—possibly a tenfold increase in one year. I have consistently argued that such a rapid move would be damaging. However, we need to move to that market rental.

The formula that I have derived will move towards market rental in regular increments. Once they move towards it, of course, market rental will not remain static; it will vary from year to year. There is a chance that market rental could collapse and it might take over in two or three years; it depends what happens. I have worked on the assumption that market rentals will remain static. In that case, following this formula, it could take from eight to 12 years before we hit full market rental. That will give a pastoralist the chance in the long run to rework his finances.

Pastoralists will be carrying mortgages and so on, so they cannot rework their finances in one or two years; it takes time. That is why I have looked at regular increments. The Government has its own amendment—I am not sure whether it is still on the Notice Paper or on file—whereby, after year six, they would hit full market rental. There was still a chance that there could have been a massive increase at that point. I have argued for a steady increase until market rentals are reached.

The Hon. M.B. CAMERON: Will the honourable member explain what he considers to be a fair market rental and how he arrives at that figure? On what basis does he put forward his fair market rental? I should be interested not so much in the formula as in the basis of calculation to arrive at a fair market rental which he must have in mind. What is it and how did he arrive at it?

The Hon. M.J. ELLIOTT: It is not I who will be setting the fair market rental. The Hon. Mr Cameron knows as well as I do the figures which have been proposed by the Department of Lands, presumably sourced from the Valuer-General, who will have that responsibility. It was on the basis of the figures that I heard that I guessed at what market rentals were likely to be in the longer term. Obviously they have to be determined on an annual basis, but I will not be making that determination.

The Hon. M.B. CAMERON: The Hon. Mr Elliott might not be making it, but he must have some figure in mind. Is he saying that he has made a guess at figures which have come from the Lands Department? Is it correct that the figure that he has in mind has come from figures given to him by the Department of Lands? If so, we are operating on a figure that was originally supplied by the Department of Lands?

The Hon. M.J. ELLIOTT: I am aware that those figures have been bandied around.

The Hon. M.B. CAMERON: Not necessarily. Some extraordinary figures have been bandied around. They have been up to $3 and $3.60, as I recall. Can the honourable member, from his wide knowledge of the pastoral lands, indicate what it costs to run a pastoral property as a set amount per property regardless of size? Certain set costs do occur. What does he consider is a fair amount to run a property? Eventually we have to establish whether or not people can afford the rentals. I imagine, from figures that I have been given by the Lands Department, that it is likely that rentals will rise to $2.70 a sheep. On that basis we will end up with a figure being extracted from the pastoral lands of between $5.6 million and $6 million. I understand that about 250 families will be paying that amount. That means that an average rental figure per property will be $20 000. At the moment, the rental is $3 000. To my mind, that means an increase of 700 per cent over five years.

Does the Hon. Mr Elliott think that pastoral properties can afford that, considering the cost of running a property, from the very basics of power, transport and all the other things associated with running a property? While he is on his feet, could he explain how he would adjust the base finance over a period of five years when in fact there might be a period of five years of low wool prices? There would just be no hope of readjusting the finances but, because of the potential increase in rents, in the meantime the ability to borrow would be diminished almost to the same level as the increase of the rents. It is inevitable that that would occur. Financial institutions would immediately take that into account.

The Hon. M.J. ELLIOTT: I am sure that Mr Cameron would be aware that I do not have a whole bulk of figures sitting before me on my desk at the moment. He is just trying to give himself a few quotable quotes to use outside this place later. The sorts of figures he is bandying around suggests that he does hope they will be repeated, and some of them are quite irresponsible, I am sure he is aware of that.

The Hon. M.B. CAMERON: I imagine from that comment that the Hon. Mr Elliot has no idea of the basis that he is using for his figures. I have been in touch with representatives of the pastoral industry, and they are not my figures but they are figures given to me by people who represent that industry. If he thinks I am being irresponsible, he is saying that the representatives of that industry are irresponsible, and that is not the case. They are the actual figures; some will be higher, some will be lower, but on average they are the costs that people will be facing. That is what he is putting up to people, by this amendment, as the price they have to pay for being on their properties.

I do not think anyone on the other side really understands the costs associated with running a pastoral property. The unfortunate thing is that, when people came before us and gave actual costs, nobody on the other side listened. If they had, they would not now be supporting this amendment. Apart from the change in the basis of contracts, the select committee was a waste of time because they did not really listen, and that is most unfortunate. They are condemning these people to bankruptcy. If this amendment is passed, the big people will take over and the smaller pastoralists will be driven off the land. The big corporations will be coming in on the backs of the debts of the smaller people and pushing them off the land. The family pastorlist will disappear: that is what will happen. That is what the Hon. Mr Elliott will be responsible for.

The Hon. ANNE LEVY: I wish to indicate that the Government supports the amendment and, despite the Hon. Mr Cameron's comments, I have before me a graph (which I know cannot be inserted in *Hansard*) which clearly shows that, since 1971, the average lease rents have increased by

50 per cent while the average lease value, as determined by the market, has increased by 880 per cent. I think there is some leeway that could be made up.

The Hon. M.B. CAMERON: Thank you very much, Minister. That is the sort of thing that led to the Premier's saying that nobody would have an increase in water rates greater than inflation. However, when the increase in the water rates became greater, immediately the truth came out: 'But you have a greater property value.' I do not think the Minister understands that the majority of people in the pastoral lands do not give a continental about the value of the property. They actually live on the property and have been there for three or four generations. The value of the property is actually an embarrassment to them. An increase in value is the last thing they want because, immediately that occurs, people such as the Minister say, 'You have this great asset that is of great value to you.' However, the only value that a property is to a real farmer—the long-term family farmer—is the income derived from it.

The Minister is cutting into a farmer's income, saying 'We will take that part of it because you are not going to have it any more.' The Minister has no idea about the value of capital to a real farmer. I am a farmer: my farm does not represent an amount of money to me. It represents a piece of land, as is the case with every genuine pastoralist. It is time that members opposite understand just what the land means to a person. I am sure that the Hon. Mr Crothers would understand, because he comes from a country where land is not regarded in terms of value but in terms of it always being in the family. It is not a lump sum of money: it is part of a person's way of life. The Minister does not understand that, nor does anyone advising her. She will always see it as being the value, therefore the Government will take a percentage of the value.

The Minister is stupid in taking that attitude, and just does not understand. At the end of the debate on this Bill, big firms, the large pastoral firms and others, will come in and say, 'Thank you very much, Mr Pastoralist (who has been there for three or four generations). We are running you off the land. We have this debt over your land and we want it now, because it has reduced in value to such a level that you cannot service your debts. Your rent levels are too high: we will pay you one-third of its value.' They will be able to run it, because they will have swallowed up that two-thirds and the pastoralist will have disappeared. That is a real shame, and the pastoral lands will suffer for it.

The Hon. ANNE LEVY: I point out that the same graph shows that the average wool price has increased even more than the average value of the lease in that same period, and, while I agree that the lease value is not something a pastoralist can eat, it is determined by the market and reflects the value of wool, which is something which gives the pastoralist something to eat.

The Hon. M.B. CAMERON: Again, one wonders whether the Minister has listened to anything that has been said. She has these wonderful charts in front of her. I wonder whether they include the costs because, if they did, the Minister would understand what has happened to the farming community. There is not a great fortune in the land: people are not making millions. If the Minister had been on the select committee, she would have understood. She would have listened to some of the people putting these subjects before us, because the cost of running a property has increased enormously. Yes, there have been a couple of good years, but the Minister must understand that we are now in the down cycle. We go through ups and downs, and we can always pick out a time when it is really good—and that is what the Minister is doing.

The Hon. Anne Levy interjecting:

The Hon. M.B. CAMERON: I will not argue with the Minister—I will not convince her, because she does not have the slightest clue. She has probably not been on a pastoral property or, if she has, she has been there for dinner and that is all. She has no idea what it costs to run a property in terms of family life; in terms of educating a family; the fact that your family disappears from you at the age of 12—all the things I said earlier. The Minister is living in a dream world, and it is a great pity that the people now advising her, including the Hon. Mr Roberts, do not say something about what we were told out there when we were visiting pastoral families.

The Minister ought to sit back and listen to what some of the spouses of pastoralists have to put up with; the sort of problems they have; the sort of help they have to give to visitors; and the sort of support they have to give to the general community. It is a damn shame that everyone in this Chamber could not have been up there with us on the select committee.

The Hon. PETER DUNN: The crux of the matter is the question the Hon. Mr Cameron asked the Minister in respect of how much the costs have gone up. We heard all about the 800 per cent increase in the price of wool from 1971 to 1989. How much have costs gone up? That is the question. I suggest that those figures have gone up by more than 800 per cent. If the Minister can prove me wrong, I will buy her a beer tomorrow.

To take an example: today the cost in relation to a lease running 12 000 sheep—and this is certainly not bizarre, as there would be no great living out of 12 000 sheep—would be $4 320, on average, while under the system that the Hon. Mike Elliott is suggesting the cost would be $28 800. That would come off a pastoralist's profit. It would come not off his base but his profit, the money that he makes. Is the Minister's salary subject to such fluctuations? Of course it is not. If ministerial salaries went up and down with our export earnings—

The Hon. Anne Levy: It is a tax deduction, though.

The Hon. PETER DUNN: Well, that demonstrates exactly the naivety of the Government in this matter. Words fail me. The Minister does not believe it is a cost, that it comes off tax. Well, take off the 50c in the dollar, if you like, but he would still be paying $14 000—$10 000 more, and that would come directly from his disposable income, the income that a pastoralist might hope to pour back into his lease in order to improve it. The Minister will be tramping around with a heap of public servants, with their number 10s on, stamping all over the bluebush and the saltbush, telling pastoralists how to run their properties—people who have come from university, probably 20 or 25, telling people 60 or 70 and who lived on the land all their lives what to do. The argument is not feasible.

The Committee divided on the Hon. Mr Elliott's amendment:

Ayes (9)—The Hons T. Crothers, M.J. Elliott (teller), I. Gilfillan, Anne Levy, Carolyn Pickles, R.R. Roberts, T.G. Roberts, C.J. Sumner, and G. Weatherill.

Noes (8)—The Hons J.C. Burdett, M.B. Cameron (teller), L.H. Davis, Peter Dunn, K.T. Griffin, J.C. Irwin, Diana Laidlaw, and R.J. Ritson.

Pairs—Ayes—The Hons M.S. Feleppa and Barbara Wiese. Noes—The Hons R.I. Lucas and J.F. Stefani.

Majority of 1 for the Ayes.

Amendment thus carried; the Hon. Anne Levy's amendment as amended carried.

The Hon. ANNE LEVY: I move:

Page 8, after line 13—Insert new subclauses as follows:

(2) The board may, for the purposes of administrative efficiency, fix a common day by which the rent under all pastoral leases must be paid in each year and, for that purpose, rental accounts for a period greater or less than a year may be sent to lessees.

(3) In making a determination of rent in respect of a pastoral lease for a particular year, the Valuer-General—

(a) must not take into account the value of improvements that do not belong to the Crown;

and

(b) must have regard to—

(i) the capacity of the land to carry stock;

(ii) the numbers of stock actually carried on the land during the previous year (as determined in accordance with section 37);

(iii) the proximity and accessibility of markets and facilities affecting the profitability of the commercial enterprise under the lease;

and

(iv) any other factors that affect the determination of a fair market rental for the land.

(4) The board may, if it thinks that a case of hardship exists, waive or defer payment of any rent, or part of any rent, unconditionally or subject to such conditions as the board thinks fit.

Subclause (2) fixes a common day, which provides for administrative efficiency because, at the moment, rents come in dribs and drabs. There is also provision for adjustment of accounts whenever leases are transferred, because there will be a definite proportion of the year for which the lease needs to be refunded. Subclause (3) was highlighted in debate in the other place, and this amendment clarifies the matters which are to be considered by the Valuer-General—what matters he may, and may not, consider in determining the rent. This is taken from the current Act, but excludes references to any agricultural use of land because, of course, we are talking about the pastoral lands. Subclause (4) is a waiver provision, which allows for cases of hardship, where the board would have the discretion to waive or defer payment of any rent, or part of a rent.

It was proposed as an amendment in April, but there was no opportunity to insert it at that stage. I have moved the three subclauses dealing with the matters relating to the payment of rent.

The Hon. PETER DUNN: I move:

Page 8, after line 13—Insert new subclause as follows:

(2) Rent under a pastoral lease—

(a) cannot be varied under seven years from the last determination of rent;

(b) cannot, on any variation, be increased by more than 50 per cent;

and

(c) cannot, in the case of pastoral land used for the pasturing of sheep or beef cattle, be—

(i) less than 5 cents or more than 50 cents for each head of sheep;

and

(ii) less than 20 cents or more than $2.00 for each head of beef cattle,

based on the fair average carrying capacity of the land as determined by the Board.

The amendment is interesting. The Minister should understand that people shear at various times during the year. On 1 March the price of wool may have been 850c—that is the price now—but by the time it is sold on 25 June the price may have dropped to 600c. Because for two-thirds of the year the price has been 850c, the rental will be set at that value. But the poor bloke who sold his wool at 650c or 550c has to wear the rental rate, set at 850c for the rest of the year. The setting of rent on the price pertaining on any one day of the year puts an enormous impediment on a person. It could work in the reverse order, in which case the fellow could not complain.

There is certainly a case for applying to the board for a waiver, but the board would spend all its time dealing with applications to remit the rent. The board would spend most of its time having meetings to hear applications.

The Hon. L.H. Davis: Is this an example of the Government fleecing them yet again?

The Hon. PETER DUNN: This is the attitude of the barons and landlords of the Government. The Minister said that, because land values had risen by 800 per cent, the rentals would be judged on that basis. The Minister said that there had been an 800 per cent increase and that rentals had not gone up; therefore, they should go up by 800 per cent.

Subclause (3) *(a)* provides that the value of improvements that do not belong to the Crown must not be taken into account. In other words, the 800 per cent increase in the value of land that the Minister said ought to be related to rentals ought not to be taken into account. The Bill is totally vexing when it comes to finding any consistent line. It is sad that the Government has got to the stage where it acts like a landlord, getting its piece of flesh and using every argument in the book to try to justify it.

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

Page 8, after line 13—Insert new subclauses as follows:

(2) For the purposes of subsection (1), the fixed maximum rent for a particular year is—

(a) for the first year after the commencement of this section—

(i) 80 cents for each head of sheep;

and

(ii) $2.40 for each head of cattle;

(b) for the second year or each succeeding year—the maximum rent for the year immediately preceding it increased by the sum of—

(i) the Consumer Price Index (all groups index for Adelaide) as at 30 June in that preceding year;

and

(ii) ten per cent of the maximum rent for that preceding year,

based on the number of stock carried on the land during the preceding year (as determined in accordance with section 37) or the average number of stock carried on the land over the preceding 20 years, whichever is the lesser.

I understand, whilst not agreeing with, the arguments on rents that have been put thus far by the Opposition. The amendments we are now considering are important because they give a clear direction to the Valuer-General as to how to derive the rents. One of the fears expressed by the Hon. Mr Cameron was that this was just a way of getting large amounts of money for the Lands Department, and that the Valuer-General would be tempted to put up the rents simply to recover moneys. The amendment gives specific direction to the Valuer-General on how to derive the rent and, therefore, gives very clear grounds if there is any disagreement with the rental value decided by the Valuer-General. It seems to me that, even if one does not agree with the concept of market rentals and their levels, it would be absolute nonsense to oppose this amendment.

The Hon. M.B. CAMERON: This Bill should be called the Ned Kelly Act of Parliament rather than the Pastoral Land Management and Conservation Act, because that is what is happening in this case. The Hon. Mr Dunn's amendment is sane, sensible and reasonable. I have spoken at length on it before, and I will not go on about it. This amendment is the only way we can ensure that pastoral families survive. Without this amendment, the major financiers will end up owning the land; they will take over, because pastoral families will not be able to service their debts, and many of them do have debts. Prices fluctuate and, inevitably, at various stages pastoral families end up in debt. In order to improve their property, they go into debt, which they have to service. Every dollar the State takes from them is a dollar less that they can use towards

paying their debts or, more importantly, to pay for their improvements. That fact was pointed out to us time after time when we visited the pastoral areas.

I urge members, particularly the Hon. Mr Elliott who should understand, to reconsider their position. If the Hon. Mr Elliott does not support this amendment and proceeds down his current path, he should never again go to country areas and pretend to be a friend of the country people. We will ensure that country people know exactly what he has done tonight—a 700 per cent increase in rentals over a five-year period, which is 17 per cent per year and double the rate of the present inflation rate. That is what has been suggested. On top of that, before they even start—

The Hon. Peter Dunn: That's not taking into account the costs.

The Hon. M.B. CAMERON: —the base will be increased from 35c to 80c before one even starts to add the increases. The Minister has presented all these arguments about an 800 per cent increase in the value of production, but not once has she mentioned the increase in costs during that time. If she thinks that these people are millionaires, she should visit the country areas. Let Mr Elliott also visit those areas and we will call meetings where he can explain what he has done to the people. We will see what sort of reception they get. Let the Hon. Mr Roberts—

The Hon. J.C. Irwin: Do you get any picture theatres up there or art of any sort?

The Hon. M.B. CAMERON: You don't get anything. The country people receive phone calls or radio messages requesting that they spend some of their hard-earned cash to find the lost tourists who have broken down, or somebody who has had a crash in the back of beyond. Do they receive any reimbursement for this service? No, they do not. They do it out of the goodness of their heart. They are the most decent people in this country and this Government is treating them with absolute contempt if this amendment is not carried. It is saying, 'We don't want you on the land; get off. Let the big companies take over,' and that is what will happen. We will end up without the people who have always lived on the land. As the Hon. Mr Ron Roberts would know, the majority of those people are families who have always been there, so I urge members to reconsider this matter.

I ask members not to fall into the trap of saying, 'We need this much money to run this new scheme. Let's just rip it out of the pastoralists.' If the Government, quite properly, wants some accurate assessment of the land and wants to reach a situation where proper assessments are made on what should happen in parts of the land, let it find the money, but it should not take it out of the people who are living there at the moment and who up until now have done an awful lot for the land. They are the only people who have kept it going until now and have assisted those in the outback. I do not think that any member on the other side of this Chamber has really considered the problems of the families in that area.

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

Ayes (8)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, Peter Dunn (teller), K.T. Griffin, J.C. Irwin, Diana Laidlaw and R.J. Ritson.

Noes (9)—The Hons T. Crothers, M.J. Elliott, I. Gilfillan, Anne Levy (teller), Carolyn Pickles, R.R. Roberts, T.G. Roberts, C.J. Sumner and G. Weatherill.

Pairs—Ayes—The Hons R.I. Lucas and J.F. Stefani. Noes—The Hons M.S. Feleppa and Barbara Wiese.

Majority of 1 for the Noes.

Amendment thus negatived.

The Hon. Mr Elliott's amendment carried.

The PRESIDENT: As in the Hon. Mr Elliott's amendment the new subclause has been inserted, and is numbered subclause (2); new subclauses (2), (3) and (4) in the Minister's amendment will be renumbered new subclauses (3), (4) and (5).

The Hon. Anne Levy's amendment carried; clause as amended passed.

Clause 21—'Term of pastoral leases.'

The Hon. PETER DUNN: I move:

Page 8, lines 15 to 18—Leave out clause 21 and insert clause as follows:

21. A pastoral lease will be granted for a continuous term.

This is the continuous term clause. We believe that in the interests of good management of the pastoral areas there should be continuous leases. Everyone else in the State has continuous leases. Perpetual leases are continuous leases. True, there are a few minor miscellaneous leases with terms applying to them, but the majority of the land is either freehold or held under perpetual lease. The Government has not been game to raise rents in respect of perpetual leases. I now pay $18.21.

The Hon. M.B. Cameron: They'll have you on market rent soon.

The Hon. PETER DUNN: The way they are going they will. In 1911, when my farm was allotted, the rent was $18.21, and it is $18.21 today. Because my property is surrounded by freehold the Government would not be game to put up the rent. If it did, it would know that there would be a revolt. Because pastoralists cannot defend themselves—

The Hon. J.C. Irwin: If they did it in Mitcham there would be a revolt.

The Hon. PETER DUNN: There was a revolt in Mitcham—the Minister fell over there. There should be a continuous lease. We have heard officers and people appearing before the select committee say that a 42-year lease is similar to a continuous lease. If that is so, why not give pastoralists continuous leases? If it means nothing different in regard to rent, such a lease should be granted to pastoralists so that they can approach banks, because the banks believe there is some difference in the lease.

The Hon. M.B. Cameron: What does the State Bank say about it?

The Hon. PETER DUNN: The honourable member should ask the State Savings Bank. I have in my possession a letter about an area in the north on a 40-year miscellaneous lease on which the bank would not lend money. I will produce that letter if the Minister wishes. That was in respect of the Government owned State Bank, which would not lend money on a miscellaneous lease of 40 years. What is the difference? If pastoralists are provided with a continuous lease their tenure becomes more secure; banks will provide a long-term loan on that lease; and the funds will be used for the betterment of the soil, flora and fauna management of the area.

If members re-read the royal commission reports they will note that when the land was originally granted the lease was for a relatively short term. In 1891 leases were extended to 21 years, and in 1927 the second royal commission determined that the leases were not long enough and they were extended to 42 years. This is the Government's opportunity to extend the leases to become continuous leases.

The Minister retains all the control and can decide to destock a lease. The Minister can totally ruin a person who owns a continuous lease. There is every control in the world. The board can still absolutely eliminate people from that country if it wishes to do so. Of course, that would be foolish, but it has the power to destock that lease. If so, why not give the leaseholder a continuous lease? I hope that the Minister can answer that. I shall listen in anticipation.

The Hon. M.B. CAMERON: Almost every witness who came before the select committee and gave evidence attempted to persuade us that the system that was to be introduced was continuous lease. That was pointed out time after time. If that is the case, let us make it continuous lease. Let us have continuous programs of examination of the land. No pastoralist would argue about that. Let us not have 14-year roll-overs. That does not achieve anything. Nobody would argue with the power continuously to monitor land in pastoral areas. That is the way that it ought to be. Pastoralists should have some certainty. They should not be subject to the whims of financiers saying, 'It is not quite what we would normally lend money on.' Therefore, let us make it continuous lease. No-one will argue about someone going every day and examining the land and making certain that it is being looked after properly. I do not understand the argument, unless there is some hidden motive, every 14 years to take something away from them or to do something different. I do not understand the arguments that were put against continuous lease, and I never have.

I tried to move this amendment in 1982, and it is a pity that it was not put in then. I still have the same view. Nothing has been said that convinces me that it is not the sensible, sane direction in which to go to ensure that people can obtain finance from the financial institutions on an easy basis. As the Hon. Mr Dunn said, I should be interested to know how many contacts were made with financial institutions to ascertain their attitude to this type of lease. I suspect that if one rang the State Bank it would say, 'We will not lend money on terminating leases.' I shall be interested to know whether any member of the Government has done that. No departmental person gave any indication to the select committee either orally or in written evidence that a financial institution did not consider these leases as somewhat suspect. I am waiting to see written evidence that financial institutions accept terminating leases as a reasonable basis for lending money. I do not believe that is the case.

The Hon. ANNE LEVY: The Government opposes this amendment. It seeks permanent tenure for pastoral lands. Any change like this is tantamount to freehold when considered in relation to the opposition of the Opposition to variation of land management conditions.

The Hon. M.B. Cameron: What are you talking about?

The Hon. ANNE LEVY: In effect, the argument is denying community ownership of these lands. They are owned by the community.

The Hon. Peter Dunn: Lording it over the serfs!

The Hon. ANNE LEVY: I don't interject when you're speaking.

The Hon. Peter Dunn: No; you read the papers.

The CHAIRMAN: Order! The honourable Minister has the floor.

The Hon. ANNE LEVY: Looking at clause 21 in association with clause 22—the two go together—we can see that they amount to good security to any good land manager. Under clause 22, at the end of every 14 years there will be an automatic extension of the lease for anyone who is a good land manager. Where there is bad management, bad degradation, renewal will not occur. The person who does not degrade the land will suffer no disadvantage. But the clause provides a means whereby those who permit degradation of the land can have controls put on them. Clause 22, which is related to clause 21, deals with assessment of the condition of the land. In moving his amendment, the Hon. Mr Dunn makes no proposal regarding assessment. If his amendment were accepted, there would never be legislatively determined assessments.

The Hon. M.B. Cameron: Then put it in.

The Hon. ANNE LEVY: The Government has put it in. It is the Hon. Mr Dunn who is attempting to change the situation such that assessments would not occur. They could occur administratively but there would be no legislative commitment to their occurrence. I realise what I am saying applies to clause 22, but one needs to look at clauses 21 and 22 at the same time because they are interrelated. If the Hon. Mr Dunn's amendment to clause 21 were accepted, clause 22 would have no meaning. There would be no meaningful provision for regular periodic assessment of the land.

For many years there has been discussion about having permanent tenure—which is virtually freehold—for some of these leases. That has never been the way in South Australia. The Hon. Mr Cameron suggests that he has never heard that any financial institution would not be influenced by the fact that it is a terminating lease. Most families, when they obtain loans from financial institutions, certainly do not get them for periods of 42 years. The more usual period of a loan is 20 to 25 years, and any lessee who is a good manager and does not permit degradation to occur, will always have at least 28 years lease left, which is a longer time frame than anyone else receives on a loan from a financial institution. It seems to me that, for people who want to change from 42-year lease to something else, the onus is on them to indicate that people have trouble raising money from financial institutions in connection with a 42-year lease. I recall debating this matter in this Chamber eight or nine years ago, and at that time the proposition arose: find one individual who has been denied financial assistance because he had a terminating lease of 42 years, but not once was anyone able to point to an individual who was unable to get money because he had a 42-year lease.

The Hon. Peter Dunn: There was evidence in the select committee.

The Hon. ANNE LEVY: Well, eight years ago there was certainly no evidence produced despite many suggestions that it be done. As I say, if we look at clauses 21 and 22 together, there will always be between 28 and 42 years of a lease remaining, which is a longer time for a loan than financial institutions offer to any families in South Australia. It is important to emphasise, in relation to the terms of leases, that the Government will not draw back from recognising and protecting what is the community's ownership and interest in the pastoral lands.

The Hon. PETER DUNN: Much of what the Minister says is quite correct, but there is no reason to connect clauses 21 and 22: one deals with a continuous lease and the other talks about assessment. The problem is that we have continuous lease and the rental can still be increased. It has nothing at all to do with freehold or perpetual lease. Lease in perpetuity has come to mean in South Australia that rentals cannot be increased. I am not saying that at all: I am saying that the lease itself—land title—should be continuous. That is all I ask for. The Government can do whatever it likes: it can put on all the conditions, covenants, rental increases and do what it likes, but the title itself is continuous.

However, it does not stack up when we look at other States. Some of the land in other States is freehold. In fact, every State except South Australia has freehold land. I am not suggesting that there be freehold: I am suggesting that the Crown still own the land and that all the covenants and conditions apply to it. All that does is allow continuous leases, so that a person knows where he or she is going. It

is a 42 year lease, but why keep 42 year leases? Why not make a 42 year lease on the Minister's home in Parkside, Prospect or wherever she lives? Why not put a 42 year lease on that with a 14 year roll-over and, if the Minister has not been a good citizen, she has 28 more years and out she goes. How would she like that? I do not think it is acceptable in today's society.

The Hon. Anne Levy: I would not mind.

The Hon. PETER DUNN: You would not mind! We might try it on the Minister later on. She has tried it already in Mitcham and it did not work. I suggest that a continuous lease is a reasonable and sensible way of giving tenure to people who work in that area. It is not giving them anything at all: all that it is doing is saying that they have a continuous lease; that they have a title, which is in continuity with the rest of the Bill. The Minister has all the other clauses in the Bill, all the conditions and covenants as I have repeatedly stated. She can destock properties or do anything she likes. The Minister has total control over them—more than she has over anyone else in this community—yet she will not accept this provision.

The Hon. M.B. CAMERON: If the Minister has a problem in relation to this clause and she feels that conditions have been taken out (such as the ability to vary conditions on a lease), I suggest that she report progress and we will be quite happy to meet any objection she has in that regard. In fact, when this Bill came into the House originally we gave the Pastoral Board the power to turn continuous leases back into 21 year leases if a person transgressed. That was the original Bill eight or nine years ago, and was a condition put in specifically for what the Minister is now talking about.

If she has a problem with the phrase 'continuous lease', because people might transgress and there is not the power to discipline them, I am perfectly willing to listen to that argument and change the amendments in such a way that that argument will be met: that is not a problem. But what she would be doing is punishing the wrongdoer but giving credit to the person who does the right thing—she would not be doing it to everyone. That would make the job much easier and may well lead to less demand.

The Hon. Anne Levy interjecting:

The Hon. M.B. CAMERON: No, I do not think you are doing that at all: you are not rewarding them at all. The Minister would save public servants from trotting around the countryside, driving round the bush in four-wheel drive vehicles at the expense of the pastoralists, if she accepted that the majority of pastoralists do the right thing. There are people in this outfit in a sort of job creation mode at the moment, who are keen on promoting job opportunities for people at the expense of the pastoral community. That is what much of this is about.

Very few people in the pastoral community need that sort of supervision, but the many will suffer for the few. That is a most unfortunate part of this Bill.

The Hon. Peter Dunn: Hard cases make bad laws.

The Hon. M.B. CAMERON: Yes, that has always been a credo of this Parliament—and I think that is exactly what is happening. Hard cases are being used as a justification for a bad law. I think it is a great shame that that is occurring, and I trust that the Minister will consider what I am saying—perhaps report progress and consider carefully the proposition that I am putting.

The Hon. M.J. ELLIOTT: The Democrats do not support this amendment. I believe that the security which is offered by the 42-year rolling tenure is quite adequate. In fact, when it was first offered to the pastoral community generally I think they were glad to have this in place of what existed before. The Opposition has a very clear agenda, although it is hard to tell how much of it involves posturing and how much is otherwise. However, it has a very clear agenda: first, to convert to perpetual leases, knowing that in the long run a perpetual lease becomes almost the same as freehold; secondly, to keep the rent very low; and thirdly, to separate tenure from land care. It so happens that I do not agree with that agenda, and I oppose the amendment.

The Hon. M.B. CAMERON: That is absolutely incorrect. That might be the honourable member's interpretation of our amendments, but it is quite incorrect. Neither the Opposition nor anyone in the pastoral community has ever objected to anything related to land care. The honourable member has his own agenda, namely, to try to prove that he is the only person interested in land care. His interpretation is not correct, and has never been correct, in relation to our attitude to this Bill.

We have been asked by the pastoral community to provide pastoralists with a form of tenure that will enable them to get decent finance at decent interest rates along with the rest of the community. That is the basis of our amendment. Never once have we suggested that any of the land care provisions should not be in the Bill. The Opposition contends that we do not need the same disciplines on everyone, although I would be the first to admit that disciplines are needed in relation to some people in the area.

The Minister would know that I have often raised matters in the Council in relation to pastoral lands in the northern areas. In fact, at one stage she thought that I was not keen to get an answer to a question in relation to a northern area and I remember she asked for the answer for me—that was in relation to Innamincka. I was very appreciative of her assistance in that matter. Attention needed to be drawn to some of the people who had caused damage up there, and I was very pleased to have the Minister's assistance in doing that. But in that case they were not pastoralists who were making a mess of the area, but visitors, people who were marching into the pastoral lands with chainsaws and four-wheel drive vehicles. Unfortunately, a lot of the pastoralists get blamed for the sort of problems that other people create in those areas, and all members of the select committee who went up there would know that.

However, I again point out to the Hon. Mr Elliott that the comments that he made in relation to the Opposition's attitude to this matter are wrong. The honourable member is quite wrong. We are trying to ensure the survival of the pastoral community. I do not know what the Hon. Mr Elliott's agenda is, but I suspect that he is not too interested in whether people survive as a community up there and that he does not really care. I think that is most unfortunate.

The Committee divided on the clause:

Ayes (9)—The Hons T. Crothers, M.J. Elliott, I. Gilfillan, Anne Levy (teller), Carolyn Pickles, R.R. Roberts, T.G. Roberts, C.J. Sumner and G. Weatherill.

Noes (8)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, Peter Dunn (teller), K.T. Griffin, J.C. Irwin, Diana Laidlaw and R.J. Ritson.

Pairs—Ayes—The Hons M.S. Feleppa and Barbara Wiese.

Noes—The Hons R.I. Lucas and J.F. Stefani.

Majority of 1 for the Ayes.

Clause thus passed.

Clause 22 passed.

Clause 23—'Variation of conditions.'

The Hon. ANNE LEVY: I move:

Page 8, line 38—After 'vary the' insert 'land management'.

This amendment makes it quite clear that any variation relates only to the land management conditions.

The Hon. PETER DUNN: The Opposition supports this amendment.

Amendment carried; clause as amended passed.

Clauses 24 to 28 passed.

Clause 29—'Resumption of land.'

The Hon. ANNE LEVY: I move:

Page 10, lines 36 to 41—Leave out subclauses (6), (7) and (8).

This amendment is necessary to facilitate the insertion of new clause 35a.

Amendment carried; clause as amended passed.

Clauses 30 to 33 passed.

Clause 34—'Cancellation of lease or imposition of fine on breach of conditions.'

The Hon. ANNE LEVY: I move:

Page 12, lines 2 and 3—Leave out subclause (4).

The amendment seeks to facilitate the insertion of new clause 35a.

Amendment carried; clause as amended passed.

Clause 35 passed.

New clauses 35a and 35b.

The Hon. ANNE LEVY: I move:

Page 12—After clause 35 insert new clauses as follows:

Compensation

35a. (1) A lessee is entitled to compensation on—

(a) resumption or pastoral land;

or

(b) expiry of a lease pursuant to a refusal to extend its term under section 22 or 23.

(2) the amount of the compensation—

(a) will be determined by agreement between the Minister and the lessee or, in default of agreement, by the Land and Valuation Court;

and

(b) must be based on the market value of the pastoral lease as if the lease were not being resumed or were not expiring but had been duly extended in accordance with this Act.

Notice of adverse action to be given to holders of registered interests or caveats

35b. (1) The Board or the Minister (as the case may require) must—

(a) before resuming any pastoral land;

(b) before cancelling a lease pursuant to this Part;

or

(c) on making a decision under this Part not to extend the term of a lease.

give written notice of the action to all persons who have a registered interest in or caveat over the lease.

(2) Notice of a proposed resumption or cancellation must be given at least 14 days before the proposal is implemented.

New clauses 35a and 35b are designed to standardise the compensation provisions and to provide fairness and equity for the lessees.

The Hon. PETER DUNN: The Opposition supports the new clauses. For land to be compensable, as it ought to be under the rules by which everyone else abides, the clauses are necessary, and I support them.

New clauses inserted.

Clause 36—'Property plan.'

The Hon. ANNE LEVY: I move:

Page 12—After line 25, insert new subclause as follows:

(1a) The board must not, in exercising its powers under subsection (1), act capriciously or vexatiously.

The amendment is self-evident.

The Hon. PETER DUNN: The amendment will assist in a situation where two people, perhaps a pastoralist and a public servant, may disagree on a matter relating to a property plan. I believe that property plans are an infringement of civil rights. They are also included in soil conservation legislation which has been introduced in another place. I do not agree with property plans, but this amendment improves the legislation and I agree with it.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 12, after line 40—Insert new subclause as follows:

(5a) The board may, by endorsement, approve a property plan voluntarily submitted to the board by a lessee.

This amendment attempts to clarify the difference between a mandatory plan, which is a sanction, and a voluntary plan, which is not.

The Hon. PETER DUNN: This involves a different argument again. This amendment relates to the introduction of a voluntary plan, and I am pleased that the Government has decided on this course of action, which gives the person who wishes to submit his own plan the opportunity to do so without having a public servant looking over his shoulder. As I pointed out previously, I do not believe in property plans. The Government does not step in and tell any other secondary industry in this State how to run its business. That is exactly what this clause does. It provides that a plan must be set out in the future. I would agree to an amendment that enabled the pastoralists to write their own plan which could be submitted for approval by the board. I do not believe that it is necessary but, in its wisdom, the Government has decided on this course of action. In their wisdom the Democrats have decided to support it, so I do not have the numbers.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 13, line 1—Leave out 'A' and insert 'An approved'.

This amendment is consequential.

Amendment carried; clause as amended passed.

Clause 37—'Verification of stock levels.'

The Hon. ANNE LEVY: I move:

Page 13, line 11—Leave out '31 July' and insert '30 April'.

This amendment changes the date from 31 July to 30 April and allows the declarations to coincide with the final shearing date.

The Hon. PETER DUNN: It is a change in the pastoralists' returns, whether they relate to cattle or sheep. It is probably to help the Public Service so that it can receive all returns and have a report on 30 June. I really cannot see the difference. People shear all the year round and people get rid of cattle all the year round.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 13, line 25—Leave out 'subsection (4)' and insert 'this section'.

This amendment makes sense of the clause.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 13, after line 27—Insert new subclause as follows:

(5a) A declaration as to stock levels will be taken to be accurate if a subsequent muster finds that the numbers of stock on the land are less than or do not exceed by more than 10 per cent the declared levels.

This amendment was discussed when the Bill was debated in another place, and no agreement was reached at the time because of the difficulty in trying to find an agreed form of words. In the intervening time the new subclause has been drafted so that it is now clear.

The Hon. PETER DUNN: This is humbug. One can get these figures from almost anywhere. The fact that pastoralists have to declare stock numbers is bureaucratic claptrap. It would give me the pip to be told to provide stock numbers and to go out and muster. On these large properties there is difficulty in arriving at stock numbers, within 10 per cent. When the Diamantina River flows, God only knows how many cattle and calves come down. One might have mustered only eight months beforehand.

A pastoralist could give a stock level on a certain day, and then be told that his numbers were not right. It may be that a drought has occurred in between the musters, and

any cattleman will say that, if he musters during a drought, he will kill half the cattle. This is just a bureaucratic requirement to keep someone in a job, but there is not much I can do about it as I do not have the numbers.

The Hon. M.B. CAMERON: I trust that commonsense will be used by those associated with the department, because it is extremely difficult to establish exact numbers. I would be very cross if I heard that, because a pastoralist's estimate had exceeded by more than 10 per cent the declared level, he was found to have transgressed on his lease. Quite frankly, it is very difficult to muster cleanly on properties and establish an exact number.

I know of a pastoral property where great care was taken in mustering sheep and, in the following muster, three weeks later, a further 600 sheep were found in the same paddock. That sort of thing can occur; it can depend on the weather conditions at the time of the muster or whether or not a particular area has recently had rain. Even though this 10 per cent level has been set as the goal, I trust that it will always be used as a goal and not as a definite level, with the disciplinary provisions of the Act being imposed because a person is found to have transgressed.

I think that in the majority of cases people will honestly try to establish their levels, but it should be remembered, that, depending on the time of the year, all sorts of things can happen to increase numbers, such as lambs or calves being born.

Commonsense must be used. Will the Minister indicate, on behalf of the department, that it will not be too hard in the application of this measure where a person is clearly and responsibly trying to establish an honest account of their stock on the property?

The Hon. ANNE LEVY: I think I can guarantee that commonsense will be applied in the administration of this clause, as with others. I realise that sheep do not have birth certificates in the way that people do. A 10 per cent tolerance for the Electoral Commissioner is a little bit different from a 10 per cent tolerance for stock numbers. I can assure the honourable member that commonsense will be used in the administration of this provision.

The Hon. M.B. CAMERON: Sheep are peculiar creatures, as are cattle. Recently on a pastoral property the sheep were so cunning that they treated the white man as a joke to the extent of lying down behind bushes. Once they have been out there long enough they go wild and do all sorts of things to avoid people, and I would hate to see the sanctions of the law applied with regard to the difficulties of muster. On some properties mustering is easy and on some it is difficult. It is the difficult musters where that latitude must be given.

Amendment carried; clause as amended passed.

Clause 38 passed.

Clause 39—'Reference areas.'

The Hon. ANNE LEVY: I move:

Page 14, line 18—Leave out 'may' and insert 'will, where necessary,'.

It was always intended that the Crown would bear the cost of fencing these areas, and the amendment clarifies the point, if there was any doubt.

Amendment carried; clause as amended passed.

Clause 40—'Establishment of public access routes and stock routes.'

The Hon. ANNE LEVY: I move:

Page 15, after line 37—Insert new subclause as follows:

(9a) Notwithstanding subsection (9), the Minister may, if of the opinion that an access route has suffered considerable damage as a result of it being used by members of the public, contribute towards the repair or maintenance of the route.

This additional provision recognises some responsibility for maintenance, but it does not go as far as a full scale assumption of responsibility.

The Hon. PETER DUNN: The provision in the old Bill is as follows:

(9) *(b)* the care, control and management of the route is vested in the Minister, but the Minister is not thereby obliged to maintain any such route.

The amendment ameliorates the position a little and provides that, if damage is caused by the public, the Minister may contribute to the repair and maintenance. If the public use such routes, the Minister, who is collecting rents from those people, ought to maintain it.

The argument is clear. It appears that that was not the intention. It is a pity that the word 'may' instead of 'will' was inserted. There will have to be another army of people to go up there to determine whether the damage is bad enough for the Minister to contribute towards its repair. That is a shame. A lessee who has caused damage—he might have ripped up the road or put his sheep across it or whatever—is responsible for looking after it. He will travel over it more than others. There is now a great deal of tourist traffic in the Flinders Ranges, and it is the responsibility of the Minister, who collects the taxes from all the fuel that is used by people in order to get to that area, to contribute towards any repairs. To have 'may' is pretty weak.

The Hon. M.B. CAMERON: There are two types of visitors to the outback—the sensible and the not-so-sensible.

The Hon. M.J. Elliott: The tourists and the terrorists.

The Hon. M.B. CAMERON: That is a good expression. There are those who are sensible and those who are stupid. Unfortunately, there is a sharp dividing line between the two. It is not those who pass through the land but once who must put up with the end result of their idiocy; it is the families living there who must put up with it for a considerable time afterwards, particularly if they do not have a grader to correct the damage that has been done.

The Minister has put in a useful change. I trust that the word 'may' does not mean that ministers in future will automatically opt out of their responsibilities. I hope that there will be an acceptance of responsibility. It is wrong, if we open up these areas to the public, that the public should not take some responsibility for the damage that is done. The growth of four-wheel drive vehicular traffic in the north is astronomic these days. The people who have to look after the land must put up with the end results.

I trust that the Crown, no matter which Government is in power, will accept more responsibility than it has in the past. Unfortunately, there appears to have been a diminution of effort in the north in the repair of roads and routes damaged by four-wheel drive traffic. That has caused great difficulty for people who live there. The Highways Department has more and more opted out of its responsibilities. It is time that that trend was reversed in direct ratio to the number of people using the roads in that area.

The Hon. M.J. ELLIOTT: I agree with the sentiments expressed by the Hon. Mr Dunn and the Hon. Mr Cameron. There is no doubt that public use of certain routes causes real damage which is falling on the shoulders of the pastoralists. In recognition of that, I had a similar amendment to this one which was looked at by the select committee. The only difference was that I had the word 'will' or 'should' rather than 'may'. Even with those words, the Minister could have made a small contribution which effectively would have made no difference. For that reason, the select committee felt that 'may', 'will' or 'should' did not make any difference unless the Minister had total responsibility for the roads.

The Hon. M.B. Cameron interjecting:

The Hon. M.J. ELLIOTT: That is right. Whilst considering whether it should be 'may', 'will' or 'should', in the long run we recognised that it would not make an enormous amount of difference. At least the presence of the clause gives an indication that it is Parliament's will that the Minister should take some responsibility for the care of roads damaged by members of the public as distinct from the pastoralists themselves.

Amendment carried; clause as amended passed.

Clauses 41 to 46 passed.

Clause 47—'Powers and procedures of the tribunal.'

The Hon. ANNE LEVY: I move:

Page 19—

Lines 6 and 7—Leave out 'personally, except in the case of a compulsory conference,' and substitute 'before the Tribunal personally'.

After line 7—Insert new subclause as follows:

(6a) Counsel for the parties to proceedings are not entitled to attend a compulsory conference.

These two amendments go together and make quite clear that the compulsory conferences are not to be adversarial but a real attempt at conciliation between the board and the lessee. The nature of the conferences is certainly not meant to be that of a court but a true conciliatory arrangement.

The Hon. PETER DUNN: I point out a couple of problems that could occur. I know that the Government has tried to accommodate the pastoralists in a fair way because clause 47 (5) on page 19 provides:

The Registrar must give the parties to proceedings reasonable notice of the time and place of the proceedings.

But if people cannot appear personally, for any reason, does that mean they miss out on representation? New subclause (6a) provides for a compulsory conference and the other amendment deals with a non-compulsory conference.

The Hon. M.B. CAMERON: Before the Minister answers that question, we had better clear up one thing. As I understand it, this means there cannot be a legal representative present, but would that stop one from having a representative from the UF&S, for instance?

The Hon. ANNE LEVY: I do not read it that way but we will check with Parliamentary Counsel.

The Hon. M.B. CAMERON: Let us be frank. If a pastoralist had to appear at a compulsory conference but was in the middle of a muster up north, the last thing he would want to do is rush down to Adelaide if he could be represented by someone. I understand the reason for not allowing legal counsel, but it would be quite wrong if a person was denied the opportunity of representation. I do not think any member on the other side would argue with that.

The Hon. ANNE LEVY: My advice is that people cannot be represented by a lawyer, but they certainly can be represented by a friend, a spouse—in fact, someone to act on their behalf. This will ensure that an adversarial situation is not created.

The Hon. PETER DUNN: A case could occur where the department put forward someone very knowledgeable in the legal field, yet the pastoralist would have to defend his patch.

The Hon. Anne Levy: What about the UF&S? It's pretty knowledgeable.

The Hon. PETER DUNN: That might just be the case, which is why I am posing the question why pastoralists cannot be represented by counsel. I know what it is about: the idea is to restrict the cost, and I agree with that wholeheartedly. There could, however, be unequal representation, and that is more likely to happen in a case where the department is complaining about something and the court calls for a compulsory conference, than the other way around.

The Hon. M.B. CAMERON: One of the problems for the Native Vegetation Committee has been that the rural community has not been represented, and many rural members of Parliament have found themselves pushed into the position of representing constituents before that authority, because the department was able to put up more than one representative, many of them highly skilled in presenting a case, which made it extremely difficult for some people attempting to argue their case. One of the great difficulties of such conferences is that the department and the Minister, or the people putting forward the case, are able to call a wide range of experts on their side, but the person who has been called to the compulsory conference from the farming community has extreme difficulty at times in presenting to the tribunal a case of equal quality.

The Hon. ANNE LEVY: Appeals can only be started by the lessee. The department cannot start such a thing. We are trying to get a real attempt at conciliation—not to have an adversarial system, but a conciliatory system. There is nothing to prevent people having a friend to help them. I could imagine that many pastoralists in this situation might have someone from the UF&S to act on their behalf. The UF&S would be very experienced at and capable of doing these things. Not only do I not oppose that, but I laud people being represented by their union.

Amendment carried; clause as amended passed.

Clause 48 passed.

Clause 49—'Appeal against certain decisions.'

The Hon. PETER DUNN: I move:

Page 19, lines 43 and 44—Leave out paragraphs *(a)* and *(b)*.

This amendment seeks to broaden the appeals mechanism. The right of appeal to the tribunal is fairly restrictive. Clause 49 provides:

(1) A lessee who is dissatisfied with—

(a) a decision to vary the conditions of a pastoral lease;

(b) a decision not to extend the term of a pastoral lease;

These are reasonable. Subclause *(c)* provides:

(c) a refusal of consent to a transfer assignment—

I know that the Minister has an amendment to this to include 'mortgage'—

subletting or other dealing with a pastoral lease; or

(d) a decision to cancel a pastoral lease or impose a fine on a lessee for breach of lease conditions . . .

I want to add a little more to that. Most of those appeal grounds have come from the old Act and have applied in relation to that legislation but, because this new legislation picks up several other impositions and relates to other things, such as property plans and access routes, I want to include provision to allow for appeal against a compulsory property plan that might be imposed. I believe that a pastoralist should have a right of appeal against a property plan. I also believe that a pastoralist should have an opportunity to appeal against a notice for destocking imposed under this legislation, with the extra control over this that the Government has, and likewise this applies to the establishment of access routes.

I have no doubt that the board and departmental officers will get together with the pastoralists and determine the best access routes, but there might be a case where a pastoralist is not happy about the determination, and he might have some other information to provide. I believe it is not unreasonable for a pastoralist to have a right of appeal in these circumstances. For those reasons, I ask the Minister to consider the amendment favourably.

The Hon. ANNE LEVY: The Government opposes the amendment. I point out that there is already provision for

consultation in relation to access. An appeal against a destocking notice would be an appeal against a land management order and that would only serve to delay the implementation of the change—which, after all, would relate to correcting something found to be damaging to the land. An appeal would delay the implementation of the corrective action required.

The Hon. M.B. CAMERON: Perhaps the provision relating to destocking should be removed. This matter could be dealt with in two ways. One is that the notice to destock would take effect and stay in effect until such time as an appeal is heard. That would overcome the difficulty with an appeal against a destocking order. It might be possible to draw up an amendment along those lines. The alternative is to take out the provision altogether. Will the Minister consider one of those alternatives? Would the Minister then support the amendment—that is, if proposed paragraph *(bb)* were removed, or if a destocking order were to stand until such time as an appeal was heard?

I do not think any member here would want a destocking order to be held up on the basis of an appeal. There are some clever people around. Some of the pastoralists might be clever enough to hold up the show and damage could occur during that time. This relates not so much to avoiding a destocking order as to reducing the possibility—and I certainly hope this does not happen—of a public servant who might take a dislike to someone up there applying this provision unfairly. This amendment allows a person who feels that they are being put upon the right of appeal. That does not mean that they will be successful, but at least they have the opportunity to appeal.

The Hon. PETER DUNN: The Minister said that there was a consultation process for dealing with issues of access. I appreciate that, but my amendment has nothing to do with access—it deals with the establishment of access routes. That is important because a pastoralist might decide that an access route drawn by a public servant does not suit his property management. He might find that stock do not want to go that way. Heavens above, have members tried to handle stock? They have a mind of their own; they go anywhere and everywhere. An incredible amount of work goes into building sheep yards to try to get sheep to run. I do not know whether or not anyone has ever cured that problem properly. Stock will run more easily in some places than in others. Pastoralists should have a right of appeal against the establishment of an access route—not access, but an access route. After some consideration, I seek leave to withdraw my amendment to page 19, lines 43 and 44.

Leave granted.

The Hon. PETER DUNN: I move:

Page 19, after line 44—Insert new paragraphs as follows:
(ba) a decision under section 36 (property plans);
(bb) a decision under section 40 (establishment of access routes),.

The Hon. ANNE LEVY: The Government supports this amendment.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 19, line 45—After 'assignment,' insert 'mortgage,'.

This is a technical amendment, which makes this clause consistent with clauses 25 and 26, which deal with leases.

Amendment carried; clause as amended passed.

Clauses 50 to 52 passed.

Clause 53—'Notice to be given of cattle muster.'

The Hon. ANNE LEVY: I move:

Page 21—
Line 28—Leave out 'A' and insert 'Subject to subsection (2), *a*'.
After line 31—Insert new subclause as follows:

(2) Subsection (1) does not require notice to be given to a particular occupier of adjacent land if an agreement, approved by the Board, for the giving of some other form of period of notice exists between the person proposing to muster and that occupier.

The amendment arises from the considerations of the Select Committee. The 'requirement to give notice' provision was inserted at the request of the UF&S, which saw the provision as an important protection against cattleduffing.

The Hon. M.B. CAMERON: The Opposition accepts the amendment, which is part of the recommendations of the select committee.

The Hon. T.G. Roberts: Unanimously?

The Hon. M.B. CAMERON: I do not know whether Government members supported it. The Bill as it stood made it extremely difficult for pastoralists to muster sensibly.

The Hon. M.J. Elliott: Most people did not know that the provision was in the old legislation.

The Hon. M.B. CAMERON: As the Hon. Mr Elliott says, the provision was always there. The old provision is retained to give people the right to curtail the activities of a potentially dishonest neighbour. It will enable people who trust each other to make arrangements between themselves to muster without notice, or with a type of notice that is acceptable to both parties, by radio, telephone, or on a permanent basis as they desire. I hope that the amendment will be supported by the Committee, because it provides a sensible way to overcome a difficulty, while making it possible for pastoralists who do not have the best of neighbours to force those neighbours to notify them of exactly what they are doing.

The Hon. M.J. ELLIOTT: We expect that, with the acceptance of this amendment, most pastoralists will grant to their neighbours a waiver for notification to be given in compliance with the clause. The clause will mean that, if a neighbour is a suspected cattleduffer, the pastoralist will have some legal recourse if mustering takes place without notice, as the clause obliges the neighbour to give notice. The pastoralist will have the ability to take legal proceedings if the neighbour fails to give notice. That is as much as can be hoped for.

The Hon. PETER DUNN: The amendment is an improvement on the clause in the Bill. However, I think it could have been clarified and made more acceptable. Over the years I have agreed with my Leader on a number of occasions, but on this occasion we do differ slightly. This clause really only deals with the cattle industry. Sometimes, it is necessary to shift cattle very quickly. One might drive out 50 miles to the farther most waterhole and decide that it has gone dry, or that it is going dry very quickly and that it is necessary to advise your neighbour. Under this clause the pastoralist will have to register an agreement with the board. It has absolutely nothing to do with the board but, rather, it involves the two neighbours.

To keep them honest, I would have thought that, if we provided that they must make contact, the modern method of radio would be sufficient. For safety reasons, more than anything else, they all have radios in the cattle country and they could alert their neighbours. If the neighbour could not be contacted by radio, the cattle could not be shifted. However, I am sure that communication could be effected by today's modern methods. The old system provided that the neighbour had to be contacted in writing. I do not know whether or not that provision was adhered to, but this amendment improves the legislation and, for that reason, I support it with the provisos I have mentioned.

Amendment carried; clause as amended passed.

Clause 54—'Right to take water.'

The Hon. ANNE LEVY: I move:

Page 22, after line 6—Insert new subclause as follows:

(4) Subsections (1) and (2) do not entitle a person to take water from a domestic rainwater tank.

This amendment takes up the concerns which were highlighted in the debate in the other place that otherwise the clause would provide open access to personal rainwater supplies, so this amendment is a reassurance that that is not the intention.

Amendment carried; clause as amended passed.

Clauses 55 to 64 passed.

Clause 65—'Regulations.'

The Hon. ANNE LEVY: I move:

Page 24, lines 43 and 44—Leave out paragraph *(d)*.

Rather than prescribe separate expiation fees specifically for this Bill, the elimination of this paragraph will mean that the normal legislation regarding expiation fees will apply and it will not be duplicated in this Bill.

Amendment carried; clause as amended passed.

Schedule.

The Hon. ANNE LEVY: I move:

Page 25, after line 3—Insert new Division as follows:

DIVISION IA—AMENDMENT OF OTHER ACTS

1a. The Expiation of Offences Act, 1987, is amended by inserting in the schedule the following item after the item headed 'Lifts and Cranes Act, 1985':

Pastoral Land Management and Conservation Act, 1989

Section 52—

Misuse of pastoral land—$200.

Section 56 (1)—

Hindering or obstructing a person exercising powers under Act—$100.

Section 56 (2)—

Addressing offensive language to person exercising powers under Act—$100.

This relates to the expiation and other provisions.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 25, after line 4—Insert new clause as follows:

1b. (1) Until the sixth anniversary of the commencement of this Act, the board will consist of six members, appointed by the Governor, of whom—

(a) one will be appointed on the nomination of the Minister;

(b) one will be appointed on the nomination of the Minister for Environment and Planning;

(c) one, being a person who, in the opinion of the Minister of Agriculture, has had wide experience in the field of soil conservation, will be appointed on the nomination of that Minister;

(d) one will be selected by the Minister from a panel of three made up of names of persons who are pastoralists in the beef stock industry submitted at the invitation of the Minister by the United Farmers and Stockowners Association of S.A. Incorporated;

(e) one will be selected by the Minister from a panel of three made up of names of persons who are pastoralists in the sheep industry submitted at the invitation of the Minister by the United Farmers and Stockowners Association of S.A. Incorporated; and

(f) one will be selected by the Minister from a panel of three made up of names submitted at the invitation of the Minister by the Conservation Council of South Australia Incorporated.

(3) At least one member must be a woman and one a man.

(4) The Governor will appoint a member of the board to preside at meetings of the board.

(5) The Governor must appoint a deputy to each member of the board.

(6) A person who is to be the deputy of a member appointed under subsection (2) *(d)*, *(e)* or *(f)* must be appointed in the same manner as the member was appointed to the board.

(7) Where the appointment of a member under subsection (2) *(d)*, *(e)* or *(f)* and of that member's deputy are being made at the same time, both must be selected from the one panel of names.

(8) A deputy may, in the absence of the member, act as a member of the board.

(9) This clause expires on the sixth anniversary of the commencement of this Act.

Pages 25 and 26—Leave out clauses 3, 4 and 5 and insert the following clauses:

3. (1) Subject to clause 4, a lease in force under the repealed Act immediately prior to the commencement of this Act becomes, on that commencement, and continues in force as, a pastoral lease under this Act with a term of 42 years running from that commencement.

(2) The conditions (including covenants) and reservations of such a lease are not affected by its conversion to a pastoral lease pursuant to clause 1, with the following exceptions:

(a) rent is payable in accordance with this Act;

(b) no species of animal other than sheep or beef cattle can be pastured on the land as part of the commercial enterprise under the lease without the prior approval of the board;

(c) the reservations relating to aboriginal persons and access to the land will be taken to have been revoked.

(3) Notwithstanding sections 22 and 23 of the Act—

(a) the question of the first extension of the term of a pastoral lease to which this clause applies and the variation (if at all) of its land management conditions must be dealt with, in accordance with those sections, no later than eight years after the commencement of this Act;

and

(b) any such extension must be for such period as will bring the balance of the term of the lease to 42 years.

4. (1) Clause 3 does not apply to a lease in force under the repealed Act if—

(a) the Governor has determined that the land subject to the lease should be set aside or used for some other more appropriate purpose;

or

(b) the Minister is satisfied that the land subject to the lease is no longer suitable for pastoral purposes,

and written notice has been given by the Minister to the lessee proposing resumption of the land or offering some other form of tenure of the land.

(2) An offer of alternative tenure, if not accepted by the lessee, lapses two years after it is made.

(3) The following provisions apply in relation to a lease referred to in clause 1:

(a) the lease continues in force notwithstanding the repeal of the repealed Act and will, subject to this Act, continue in force until expiry of its term;

(b) this Act applies in relation to the lease as if it were a pastoral lease under this Act, but—

(i) the term of the lease cannot be extended;

and

(ii) the conditions of the lease cannot (except by agreement with the lessee) be varied by the board;

(c) rent is payable in accordance with this Act;

(d) the reservations in the lease relating to aboriginal persons and access to the land will be taken to have been revoked.

(4) On expiry of a lease to which this clause applies—

(a) the lessee is entitled to compensation;

(b) compensation will be based on the market value of the lease as if the lessee were the holder of a pastoral lease;

and

(c) the amount of the compensation will be determined by agreement between the Minister and the lessee or, in default of agreement, by the Land and Valuation Court.

Amendment carried.

The Hon. PETER DUNN: Under the schedule the board will have six members from pastoral areas for the first six years of the Bill's operation. This was provided to accommodate the concerns expressed by the pastoralists that they have people on the board from inside and outside the dog fence, which really means those who have cattle and those who have sheep. I would have thought that it would be wise to have those six people on the board for a longer period than six years.

Originally I thought that it would have been wise for these members to be on the board for the eight years of the assessment period. There is nothing better than peer group

pressure to offset the problems that occur within this industry, so one pastoralist talking to another would clear up any problem. The schedule provides that six pastoralists will be on the board for six years and, at the end of that period, a further two years of assessment could still occur. There will probably be arguments about the provisions placed on the leases still being assessed, but there may not be any peer group pressure to explain the situation that the board is in. I do not think it is correct to have six board members for only six years when the assessment process will take eight years. However, the select committee looked at it and we did not have the numbers. So, I have to agree with it.

The Hon. M.J. ELLIOTT: Will the Minister confirm whether or not an annual notice of the market rental determined by the Valuer-General will be sent to individual pastoralists? The expectation is that the market rent will not be the actual rent paid for some time. Will the Minister assure us that pastoralists will be informed from the first year of the market rental determination so that they have a clear indication and anticipation of it? I believe it will be somewhat different from the way in which some people have presented it.

The Hon. ANNE LEVY: I am happy to provide that assurance. The honourable member may rest assured that that will occur.

Schedule as amended passed.

Title passed.

The Hon. ANNE LEVY (Minister of Local Government): I move:

That this Bill be now read a third time.

The Hon. PETER DUNN: This Bill has caused a lot of comment, particularly in country areas, although it has probably not been heard of in the city. It deals with the management of a very important part of the State. About 70 or 80 per cent of the State will be covered by the Bill, other than the Aboriginal lands in the North-West. The Bill is fraught with danger. It will create a problem which the Government cannot perceive and which relates to one issue alone—rental. We have tried to explain the position as clearly as we can. I am a primary producer and I am not as streetwise as some of the people who purport to understand the Bill. Nevertheless, I assure members that the Bill impinges on the lives of pastoralists who will be directed by a group outside normal property management.

I find that relatively offensive. It does not happen in respect of secondary industry or in one's own home but, because people's homes are part of those stations, others will be telling them what to do. Apart from that, the Bill is a land management Bill and it appears that today management needs to be part of every political Party's agenda. If this Bill has been put up as a cheap political trick, it will not work. There has been good management of the pastoral country in the past few years and that can be proven by a visit to the area. That being the case, there was little need for such a rewrite, with its impositions. Nevertheless, the Bill is here and we have to make it work as best we can. As a member who travels around that area more than any other member in this Council, I will have to wear the flak and the complaints. When I get them, I can assure the Council that they will quickly be back on the Minister's desk.

The Hon. M.B. CAMERON (Leader of the Opposition): The Bill as introduced to this Council would have resulted in a large number of problems, the most pressing being that people were to have their leases taken from them and there would be six years of uncertainty during which pastoralists would not know what their future would be. It was most fortunate that the events of the last night of the previous session led to the formation of a select committee because, to a large extent, that problem is cured. I trust that the Government and the department will realise that we proposed the period of eight years for examination and assessment of leases for a particular purpose, that is, to reduce the impact of demands upon pastoralists for money to pay for those assessments.

However, if the rumours that I hear are correct—that people are really going to show how it can be done in four years and that additional people will be employed for that purpose—I will be disappointed, because such action will go completely against the spirit of the select committee and the way it was conducted. Therefore, I will be watching with great interest to see how many people are involved in that job and what financial demands are made on pastoralists.

The big mistake made by the Government—and it will prove to be a serious mistake—relates to rentals. I do not think that anyone on the opposite side of the Chamber understands what they have done tonight. They have imposed a rental level that it will be impossible to sustain. In doing so, they will destroy the people who are the best managers of the land—the families who have been there for generations. Behind them will come the people who finance them. They will take over the land, and they will not manage, love or nurture it in the same way. That is most unfortunate. The Government is taking out of the system the people whom it should be assisting to stay in it. Members opposite have failed to listen to the evidence given by those people. The majority of the people holding the leases are families. The effect will be to increase rentals by 700 per cent within five years.

The Hon. M.J. Elliott interjecting:

The Hon. M.B. CAMERON: That is not. You didn't even know the basis on which you were putting it. You were relying on someone within the department.

The Hon. M.J. Elliott: That is not correct.

The Hon. M.B. CAMERON: That is correct. If the Government is raising $700 000 now, it will end up with $5.6 million at the end of this time. That is the effect of rentals going up from 35c to $2.70, which will be the maximum. The effect will be an average of $20 000 per holding compared with $3 000 now. If the honourable member meets me outside afterwards to discuss the matter, or discusses it with people who represent the pastoral industry, he will find that is correct.

Money is being taken out of people's pockets, affecting the potential for them to upgrade and improve the land. That money will come straight off the improvements that would normally be applied to the properties. People in that area do not and cannot live like kings; there are not the opportunities. They cannot travel around the countryside doing the things that we do. I do not think that members opposite understand how difficult it is for parents to raise families out there. I speak not just of the pastoralists who are parents, but of the working people who assist in the management of the land. The children of many of those people are not able to take advantage of the normal opportunities that our children have. They do not have a primary school at the end of the street; they have School of the Air. I do not know whether any members opposite have sat down and tried to teach children through the School of the Air or watched people trying to do it. It is extremely difficult. On top of those difficulties, the Government has done this.

I assure members opposite that after the election, which will be in the very near future, we shall attempt to restore a reasonable level of rents to this industry. If they think that they have finished with the pastoral legislation, they have not. There could have been a bipartisan approach, as we had in the majority of areas, but in this area they got greedy. That is most unfortunate. Be it on their own heads. However, they have not heard the last of this matter. This legislation will come through this Chamber again in the very near future.

The Hon. M.J. ELLIOTT: This Bill has gone through quite a transformation since it was first introduced in this place earlier this year. It is quite dramatic in a number of areas. The basic intent of the Bill has remained intact. Its purpose is maintained. However, a number of areas that are causing concern to people with many different interests have been resolved. Some matters have not been resolved to the satisfaction of everyone, but that is true of most interest groups. Many still wanted some things to be somewhat different from the final position.

As I said, I think that we have made enormous progress. Many matters that were causing concern have been removed. The one remaining problem, as presented by the Opposition, is rental. We recognise that there is a difference of opinion as to whether rents should be higher and how much higher they should be. I warn the Opposition not to play around with scare tactics, because if it succeeds in scaring people too much, it will hurt the pastoralists.

Members interjecting:

The PRESIDENT: Order!

The Hon. M.J. ELLIOTT: If they start putting out figures which spread by word of mouth—suggesting that—

The Hon. L.H. Davis: Don't you think they can do their own sums?

The PRESIDENT: Order!

The Hon. M.J. ELLIOTT: If you play those sorts of games, you might succeed in talking a few institutions into being more careful than they should be. Let us look at a few figures. The Government was about to introduce rentals from an average of 35c to an average of 52c, based on the rated carrying capacities of the properties. The situation we have moved into now is that the rent is linked not to the rated capacity but to the number of stock carried. Even if we look at what was to become the average of 52c, we see that the top level of 80c to start off with is against the stock carried and not the rated capacity. In real terms if they carry on average about 70 per cent, that is equivalent to about 55c at full rating.

The Hon. M.B. Cameron interjecting:

The PRESIDENT: Order!

The Hon. M.J. ELLIOTT: The difference in fact is very minor, and that is one thing I set about doing. Members will find that the increase in real terms above that will be about 10 per cent a year. In today's monetary values, that would be comparable in five years to about 88c; that is looking at rents at the rated value, although they are actually calculated on the actual stock carried. It is complex trying to compare what it will cost at the rated capacity with what is being carried. Unless people sat down and did those sums, it could give the impression that the rates had gone up even more. However, the proof of the pudding will be seen once the calculations are done.

The Hon. ANNE LEVY (Minister of Local Government): I thank honourable members for their contributions to this debate.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Whether or not I happen to agree with the contributions that have been made—

Members interjecting:

The PRESIDENT: Order! The honourable Minister has the floor.

The Hon. ANNE LEVY: Whether or not I happen to agree with the contributions made by individuals does not in any way alter the fact that I am sure all comments and points of view have been put with the greatest of sincerity, and that our main aim, which is to look after the land which we all love very much indeed, has been furthered by the passage of this Bill. I certainly hope that the matter will be approached in a spirit of cooperation on the part of all concerned and that it will be of great benefit to the land and people of this State.

Bill read a third time and passed.

PRISONERS (INTERSTATE TRANSFER) ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

SUMMARY OFFENCES ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

ADDRESS IN REPLY

Adjourned debate on motion for adoption (resumed on motion).

(Continued from page 353.)

The Hon. L.H. DAVIS: Earlier in this debate I was discussing the pricing of electricity and the cost of fuel in South Australia compared with other States. In the 1970s, the real cost of electricity was falling in the States of Australia and, indeed, in South Australia. In 1983, when the Labor Government came to power, it could be said that the real costs of electricity in South Australia were less than they had been a decade earlier. How things have changed! Now, we see evidence from at least two sources that South Australia has the dearest power in Australia, and that evidence is of great concern.

On 26 May 1989 a report was carried in the local media that NUS International, an Australian energy and communications company based interstate, had said that a survey earlier in the month had shown South Australia as Australia's most expensive State for commercial and industrial power. The spokesman rejected the criticisms by the South Australian Minister of Mines and Energy, claiming that Mr Klunder was shooting the messenger and ignoring an unpalatable message. He went on to say that the survey showed that South Australia was the most expensive State in Australia for commercial and industrial electricity, regardless of any discounts, and that the Electricity Trust had for years ignored the benefits of new tariff alternatives for business, despite the fact that other States in Australia with more flexible tariffs had lower electricity charges. The report continued:

'Of course, removing choice helps make administration easier, but should the South Australian electorate bear the cost?' said the Managing Director of NUS, Mr Eddie Realf. 'South Australia was always going to miss out on any major investment where electricity was a determining factor. For example, a manufacturer

setting up a plant in Victoria which would use $500 000-worth of electricity a year would have to pay $865 000 for exactly the same amount of electricity in South Australia,' he said.

That was pretty damning stuff, and it received some publicity, both in the *News*, from which I have quoted, and in the *Sunday Mail* in late June. However, it was pleasing to see—perhaps in response to those criticisms or coincidentally, I am not sure which—that the Electricity Trust introduced in June new electricity charges which improved the position of manufacturing and commercial companies in Adelaide, and that the cost of electricity to a typical three shift operation dropped by just 1 per cent under this new arrangement.

The average price was 8.55c a kilowatt compared with 8.63c under the previous year's rates. The NUS reviewed the new charges that had come in just a few weeks after the public criticism of the cost of electricity in South Australia. Again, through the Managing Director of NUS, Mr Realf, the following statement was made—and I quote from the *News* of 21 June 1989:

The modification by ETSA, recognising the need for change in its tariffs, is most welcome. It is certainly a step in the right direction. However, to be truly competitive with other Australian States, ETSA will need to accelerate its rate of tariff reform, because South Australia remains at least a decade behind the other States, which have already undertaken tariff reform.

It seems that, as a result of this, South Australia has moved just marginally ahead of Western Australia in the race to be the dearest State for electricity costs, from the point of view of manufacturing and commercial companies.

The Industries Assistance Commission Information Paper No. 6, dated 17 March 1989, to which I referred earlier, also made some fairly strong statements about the cost of electricity supply in South Australia. I accept immediately that South Australia's fuel costs are very high—and that is reflected in the table which is set out on page 6 of this IAC report. I seek leave of the Council to insert the table in *Hansard* without my reading it. It is of a purely statistical nature.

Leave granted.

PUBLISHED COSTS OF ELECTRICITY SUPPLY FOR AUSTRALIA AND BY STATE, 1980-81 AND 1986-87*a*
(c/kWh. average 1986-87 prices)

State	Fuel	Other operating costs	Interest	Depreciation*b*	Total
	1980-81				
NSW	1.33	3.69	0.87	0.99	6.88
Vic.	1.49	3.81	1.46	0.70	7.46
Qld	1.78	3.25	2.24	2.29	9.56
SA	2.14	2.43	1.23	1.10	6.90
WA	4.00	4.98	1.39	0.98	11.36
Tas	0.09	1.61	1.33	0.21	3.24
Aust*b,c*	1.58	3.53	1.29	1.02	7.41
	1986-87				
NSW	1.56	3.18	2.05	0.99	7.78
Vic	1.04*d*	3.21*d*	2.82	0.90	7.97
Qld	1.25	3.07	2.58	1.21	8.11
SA	2.58	2.58	1.97	3.19*e*	10.31
WA	2.61	4.14	2.97	0.53	10.24
Tas	0.02	1.31	2.33	0.21	3.87
Aust*c*	1.40	3.17	2.36	1.07	8.00

a Snowy Mountains Scheme costs are apportioned between New South Wales, Victoria and the ACT.
b Depreciation charges are calculated in terms of historical (rather than current) costs.
c Includes Northern Territory and Australian Capital Territory.
d Commission estimate.
e Since mid-1986, South Australia has valued power stations at current replacement cost. Depreciation for 1986-87 has been calculated on the basis of the higher asset values.
Source: Derived from Electricity Supply Association of Australia Annual Reports, various issues, and Saddler, H., *Recent Trends in the Cost of Electricity Supply in Australia*, CRES Working Paper 1984/2, ANU.

The Hon. L.H. DAVIS: The table sets out the public costs of electricity supply in Australia between 1980-81 and 1986-87. These costs are derived from annual reports of the Electricity Supply Association of Australia. There could well be some variations. Some sleight of hand could be involved in these figures, but they are as good as one can get when it comes to measuring the costs of supply. The figures show that the cost of electricity supply in South Australia was the highest in cents per kilowatt hours in 1986-87. They show that South Australia moved up from being near the bottom of the pack in 1980-81 to the top. South Australia is the most expensive State when it comes to measuring the cost of electricity supply.

In relation to fuel, in 1986-87 the cost of fuel per kilowatt hour was 2.58c, exceeded only by the cost in Western Australia. The total cost of electricity supply in cents per kilowatt hour was 10.31c, which was higher than the cost in Western Australia, at 10.24c. The cost in Queensland, Victoria and New South Wales was somewhere in the vicinity of 8c, or just under, and the Australian average was 8c. Certainly, one can see that this table shows that South Australia has valued power stations at current replacement cost.

So, depreciation for 1986-87 has been calculated on the basis of the higher asset values. If one makes an adjustment for that accounting difference, it certainly does reduce the gap between South Australia and the other States. However, it is quite clear that since 1983-84 South Australia's position as against the other States has been deteriorating. It is a bad trend that must be reversed.

The IAC report of March 1989 (page A10) states that fuel costs, as a percentage of total costs, do vary significantly. For instance, in 1986-87 fuel costs were only 15 per cent of the total cost of electricity in Queensland, but in South Australia they accounted for 25 per cent of total costs. It was a very high percentage. Of course, in Tasmania, where

hydro-electricity is dominant, the cost of fuel is absolutely negligible. However, another point should be borne in mind when looking at that table: South Australia has a large proportion of gas as a percentage of the total fuel component when one looks at the cost of electricity supply. If one took out that factor—and isolated it—I would suspect that the cost of electricity supply based on coal would be much higher.

On page 6, the IAC report states that electricity supply costs in South Australia are the highest in Australia and that ETSA tariffs are shown to be the second highest in Australia. I will come back to that a little later. I have already mentioned that, on page 16 of this IAC report, it is clearly shown that Electricity Trust productivity and cost control declined from 1982 until 1986-87, at a time when significant improvements were occurring in most States.

I refer now to the evidence given by the Office of Energy Planning in South Australia to the Industries Assistance Commission inquiry into Government charges. That submission was dated September 1988. It is important to know that the Office of Energy Planning is a key to South Australia's energy demands—that it has the critical role of plotting the future for energy in this State. The submission makes the self-evident point that almost all electricity in South Australia is supplied by the Electricity Trust. Further, it states that the State Government has a key role in planning the development of the energy sector to ensure that the State's long-term energy needs are met. In addition, it seeks to ensure that the sector is efficiently managed and operated.

The Government established the Energy Planning Executive (EPE) in 1986 to coordinate the ongoing planning and management of energy supplies in South Australia. The Chairman of that executive reports to the Minister of Mines and Energy in the Bannon Government. The EPE is serviced by the Office of Energy Planning. As I have mentioned previously, one of its functions is to review and analyse the future demand for various forms of energy within the State and to review the energy demand options appropriate to the State's patterns of energy use. We are talking about tariffs, co-generation, partnerships with the private sector, conservation and the development of appropriate policies.

This submission, less than 12 months ago to the IAC, makes projections which suggest that, during the period 1986-87 to 1995-96, there will be a growth in the final demand for electricity of 2.6 per cent per annum. That is the assumption made by the key committee that looked at South Australia's future energy needs.

The submission also makes the point that industrial and commercial sales account for more than 50 per cent of the total quantity of electricity sold and over 70 per cent of the quantity of gas sold by Sagasco. The interesting point made is that between 1977-78 and 1987-88 the quantity of electricity sold to business increased at an average annual rate of 3.9 per cent. The committee admits on page 7, when discussing the growing competition between States for manufacturing business:

> A key issue of concern to the working party was the competitiveness of the State's electricity and gas tariffs with respect to the other States.

It admits that energy costs may be an important factor influencing corporate decisions about location of new plant. The submission further states:

> In this respect, figure 1—

and, sadly, we can no longer insert graphs into *Hansard*—

> shows that South Australian average total electricity prices have risen substantially relative to other States in recent years. A number of factors have contributed to this increase, the major one being a dramatic increase in the wellhead price of Cooper Basin natural gas in the early 1980s (currently ETSA generates 60 per cent of the State's electricity from this fuel source).

The submission then sets out in a table the comparative interstate electricity prices for 1986-87. I seek leave to have this table, which is purely statistical, inserted in *Hansard* without my reading it.

Leave granted.

Interstate Electricity Prices 1986-87
(c/KW h)

	NSW	Vic	Qld	SA	WA	Tas	National
Resid.	7.11	8.08	9.20	8.28	11.13	6.21	7.95
Comm/Ind.	6.93	7.95	6.76	8.62	10.38	2.80	7.16
Total	7.03	8.07	7.57	8.57	10.68	3.62	7.49

Source: Office of Energy Planning, [South Australia] September 1988.

The Hon. L.H. DAVIS: The critical feature about this table which compares electricity prices measured in cents per kilowatt hour is that, for the commercial and industrial tariff, South Australia is more expensive than any other State, with the exception of Western Australia. There has been a very small adjustment since this report was tabled in September 1988, but here is the State Government's own committee confirming the accuracy of the comments which I have already made. The report to the IAC states that during 1986 the sale and lease-back arrangements with respect to the Northern Power Station and other plant and equipment for the Northern and Torrens Island Power Stations did have the effect of reducing the cost of funds and enabling tariffs to be set about 1.5 per cent lower than it otherwise would have been.

On page 11, we come to a fascinating section, given this Government's absolute obsession with any mention of the private sector or that word 'privatisation'. Labor Governments around Australia have made it respectable by calling it ' commercialisation'. On page 11 the Office of Energy Planning actually talks about the prospect of developing opportunities for private supply to offer a further means of reducing the overall cost of the electricity supply to the State. The working party, on page 11, states:

> ... private supply should be considered in situations where it is potentially viable on a commercial basis for the organisation concerned and where it may contribute to a reduction in the need for centrally generated capacity ... The working party recommended that more favourable treatment be given to private suppliers offering long-term guaranteed supplies of electricity to the ETSA grid.

That is an interesting concept. Certainly, at the moment it is not used to any great extent. Cogeneration is limited to about .1 per cent of total ETSA sales—in other words, ETSA has agreement with cogenerators to provide stand-by electricity supplies. It makes up a very small part of the total electricity generated in South Australia. But, here is a working party saying that we should look closely at this concept, because it believes it could be an important consideration in the future.

At page 14 of the submission to the IAC, the Office of Energy Planning states:

> On the basis of current load and energy forecasts—and with a favourable gas supply—it is expected that no new base load station will be required until about 2004. A likely generating plant program for the South Australian power system will include retirements of the Playford and Torrens A units (six units of 120 megawatts each) between 2000 and 2005.

That is a critical fact to remember—and I will return to it—these projections of electricity demand in the future. The submission then talks about asset replacement, and states:

> In the five years to 1985, asset replacement has averaged about $50 million for the Electricity Trust of South Australia.

That level of $50 million a year in asset replacement will continue through to 1990, but it will rise to over $100 million per annum by the year 2000. The submission continues:

The need for a substantial increase in infrastructure replacement costs in the future, assuming continuation of current practices and policies, would have a significant impact on supply costs and therefore charges.

The submission then turns to Leigh Creek. As we know, Leigh Creek is the only commercial coal mine in South Australia. On page 16 of the submission the Office of Energy Planning admits:

Mining of Leigh Creek coal is at increasing depth requiring extensive removal of overburden. The value of production in 1987 was estimated as $34 per tonne compared with $12 per tonne in 1980—an annual average rise of 16 per cent.

That, of course, is more than double the rate of inflation during that time. The submission states:

Leigh Creek coal will continue to be used for the next unit of the Northern Power Station, expected to be commissioned in 1996.

The Office of Energy Planning then makes a brief statement about the other options for coal that exist in this State, and I referred to those earlier. However, on page 16 it observes:

The State's extensive low grade coal resources are widely distributed throughout the State. They are not of export quality, only being suitable for use in local coal fired electricity generating plant. Coal in the Cooper Basin makes up a major portion of the State's known coal resources. Unfortunately, the Cooper Basin coal occurs at depths of between 1300 m and 4 000 m making it uneconomic to mine. Deposits at Lochiel, Bowmans, Sedan and Kingston are generally shallow (less than 60 m) but are difficult to burn and have high sulphur, ash, moisture and salt contents. Substantial coal reserves in the Arckaringa Basin (Wintinna and Weedina) are of at least the same quality as Leigh Creek coal, but are remote and at a depth which would make mining relatively expensive for the relatively small quantities needed to fuel a 500 MW power station.

They really do not have much good to say about the coal options in South Australia. This is from an organisation for which one should obviously have some respect.

I now turn to another key source of information about future trends in electricity supply and demand in South Australia and refer to the most recent report of the Electricity Trust of South Australia for the year ended 30 June 1988. First, I want to talk about Leigh Creek because we have already heard from the official submission to the IAC inquiry from the Office of Energy Planning that Leigh Creek costs were expanding at the rate of 16 per cent a year. Some years ago members of Parliament were invited to Leigh Creek. As I remember it was in 1983 and at that time I received a brochure setting out details of Leigh Creek coal production and future projections. In June 1983 the official statistics showed an estimate of 4 million tonnes of coal would be despatched in 1990, and the amount of overburden removed would be 25 million cubic metres, a ratio of 6:1.

The Hon. T.G. Roberts: I'll have a dollar each way.

The Hon. L.H. DAVIS: You would certainly not want to back it each way, because I do not think it would run first, second or third and you would lose your money. Let us look at all the facts. There was a projected overburden to coal despatch ratio of 6¼ to 1. I refer to the 1987-88 report to note that coal despatched in 1987-88 was 2.56 million tonnes. I have no difficulty about the shortfall in that figure compared with the 4 million tonnes projected for 1990, but the overburden dug and rehandled was 21.56 million cubic metres. That is a ratio of well over 8:1. That shows the growing problem at Leigh Creek. It is also shown up in the information buried in the accounts in terms of deferred costs of removing overburden.

In the 1987-88 accounts there is $52 million in deferred costs of removing overburden shown as a non current asset. In other words, it has capitalised $51 million of overburden costs, and I doubt whether that was forecast. That figure is up dramatically from $32 million four years ago, and it is doubtful whether that will be recovered over the life of Leigh Creek. Leigh Creek production costs are increasing dramatically, and that is admitted in the official figures produced by the Electricity Trust of South Australia.

ETSA has some projections about future demands for electricity. On page 47 of its annual report, it says:

Electricity sales are currently expected to increase at an average annual rate of between 2 per cent and 2.5 per cent over the next 15 years. This forecast represents the most likely outcome with low and high scenarios spanning a range from about 1 per cent to 3.5 per cent per annum possible growth.

That is a small variance with the projection from the Office of Energy Planning. In its discussion about the possible source for new coal for a new power station—it talks about a new power station being required early next century—it refers at length to its own coal prospects at Lochiel and to the prospects at Sedan, but to very little else. I shall talk about that later.

Another interesting fact about the ETSA annual report is in the statistical summary. I seek leave to have inserted in *Hansard* without my reading it a statistical table which sets out the employment levels for ETSA for the years 1982 to 1988.

Leave granted.

ELECTRICITY TRUST OF SOUTH AUSTRALIA
Employment levels

To June 30	1982	1983	1984	1985	1986	1987	1988
Male	4 989	5 114	5 092	5 150	5 251	5 404	5 414
Female	385	379	397	421	466	561	489
TOTAL	5 354	5 492	5 489	5 571	5 717	5 965	5 903

The Hon. L.H. DAVIS: These figures show that there has been a steady increase in employment from 1982 to 1988 from 5 354 to 5 903. That, again, is significant and in sharp contrast to the experience in Queensland and New South Wales where there has been a sharp reduction in cost.

The Hon. T.G. Roberts: Are you foreshadowing cuts in the work force?

The Hon. L.H. DAVIS: We can talk about that in a minute. You obviously have not done your own homework.

The Hon. T.G. Roberts: We know that there is going to be rationalisation, but it must be done by negotiation.

The Hon. L.H. DAVIS: There is an answer to that. We see that forecast State energy demand to 1995-96 is 2.6 per cent. We then see steadily increasing costs in the Leigh Creek deposit, and that is forecast to be mined through to the year 2025.

The South Australian Energy Planning Executive, in its annual report of 1987-88, forecasts that annual coal production will continue to rise from 2.6 million tonnes to 3.5

million tonnes by 1996, supplying coal to the existing Thomas Playford B power station and the adjoining 2 x 250 megawatt Northern power station as well as the third unit at the Northern power station which is due for completion in 1996.

Again, that is a very bold statement of future intention.

As members can see, it is a massive subject. It is perhaps a rather ambitious subject to contemplate in a speech of this nature. I have put down the facts as they have been presented, all within the past 12 months.

Now I want to address those facts. The South Australian Energy Planning Executive Annual Report 1987-88 also confirmed what I have already said. At page 14 of the report it states:

A review of future electricity generating options undertaken for the executive by the Electricity Trust of South Australia indicates that, following the commissioning of NPS 3 in 1996, there is unlikely to be any requirement for new base load capacity before 2001 and possibly not until about 2004 based on present load forecasts and a favourable gas supply situation. Additional peaking plant requirements are also expected to be minimal throughout the 1990s unless a decision is taken to retire the Playford B plant. In the period 2000-2004 the need for new peaking capacity will depend on both the possible retirement of older plants and the program for installation of new coal fired plant.

That is a very confident assertion, but I know there are growing doubts, not only within the private sector but also within the public sector, about the accuracy of some of those statements.

The Hon. J.C. Irwin: Have you talked about base load coming from Victoria?

The Hon. L.H. DAVIS: The interconnection—yes.

The Hon. J.C. Irwin: That is jobs being exported to Victoria—baseload power.

The Hon. L.H. DAVIS: Yes. The Minister himself, in a special edition called, 'Energy news for industry in the community' had something to say about energy planning for South Australia in an address delivered in March this year to the Australian Institute of Energy and the Australian Institute of Petroleum. When talking about the new local coal deposits for power generation, he stated:

In particular I have been advised only recently that the Lochiel deposit has been confirmed as having lower costs than the Sedan deposit for fuelling the 500 megawatt conventional power station.

He went on to say:

Our studies with the West German consortium into the feasibility of using coal from the Bowmans deposit in a 500 megawatt gasification combined cycle power station have been deferred. A study on these changes is due for completion next month.

That is his view. There is still a keenness to pursue Lochiel, Sedan and Bowmans. In an answer to a question in the Estimates Committee in the House of Assembly on 22 September 1988, the Minister admitted that in the four years to 1987-88 there had been an annual average increase in demand for electricity of 3.5 per cent. However, the Electricity Trust forecasts an average of 2 per cent to 2.5 per cent over the next 15 years.

I referred to employment figures from the Electricity Trust annual report. More than 12 months ago, on 15 June 1988, I raised the fact that, since the election of the Bannon Government in 1982, the number of people employed by the Electricity Trust had increased from just 5 500 to about 6 000. That was an increase in staff of 9 per cent. I argued that the Electricity Trust's productivity had suffered over that time.

That was strongly denied at the time and strongly attacked by the former Minister of Mines and Energy in another place (Hon. R.G. Payne), who said that there was every justification for the increase in electricity staff of 600 during the term of the Labor Government. That is in sharp contrast to the experience in both Queensland and New South Wales.

So, it was with more than passing interest that I picked up my *Advertiser* of 14 July—Bastille Day: the day when heads rolled—to find, on page 3, an article headed 'ETSA proposes to cut staff, tariffs'. The article states:

The Electricity Trust of South Australia will shed 350 staff and bring down tariffs by 2 per cent under a three-year plan announced within ETSA yesterday. ETSA's General Manager, Mr Robin Marrett, yesterday told staff job numbers would be cut only through natural attrition and in consultation with the unions. He said the changes in administrative support for electricity generation and distribution, ETSA's main employment areas, would save $14 million a year ... An ETSA spokesman last night said ... 'In real terms our tariffs will be reduced. That's the bottom line. We've got to cut costs.'

That was a remarkable, albeit welcome, statement. It flies directly in the face of everything the Government had been saying to justify the increase in employment. Of course, in almost seven years the competitive position of South Australia had steadily deteriorated with respect to electricity. It is pleasing to see that the new management of ETSA has recognised the problem with the Electricity Trust in South Australia.

It is my conviction that there has been a scandal of growing proportions with respect to the management of electricity supplies and the future direction of electricity generation in South Australia. I want to commend the initiative of the new Electricity Trust management under the General Manager (Robin Marrett) for taking this bold step. What they said, in so many words, was that we do not need 350 staff: we can follow Queensland's example and maintain productivity, perhaps increase productivity, with 350 fewer staff, saving $14 million a year. If this approach had been taken six or seven years ago we would have saved at least $60 million in today's dollars.

The savings that Mr Marrett is introducing over the next three years are savings that cannot be clawed back for the years since 1983. He has clearly identified feather bedding costs in ETSA during the term of the Bannon Government. These savings, as we have seen, represent 2 per cent a year in tariffs but are only a small contribution towards restoring the Electricity Trust's competitive position. In other words, the Electricity Trust and the present Government are admitting that what the Hon. Mr Payne said was wrong.

They are admitting that the review by Cresap, McCormack and Paget, which was cited by the Hon. Mr Payne in *Hansard* of last August, was wrong. In other words, the Government is admitting that there has been feather bedding, there has been a loss of productivity and that electricity tariffs have been higher than they should have been during the term of the Bannon Government.

That is a serious allegation, but the facts show that it is well merited. Why does South Australia have what are among the highest costs and prices of electricity in Australia, when it used to have some of the cheapest? Why does the Government and the Electricity Trust feel sufficiently stung by those surveys taken by NUS to offer to that class of customer a special discount which conveniently affected the results of the surveys? Until the new management came in in recent times, the fact is that ETSA was the worst performing electricity utility in Australia, and South Australian electricity consumers and industry are paying the penalty. It is reflected in our static or declining total factor productivity, as compared with Queensland and New South Wales, where it has improved markedly. So, it is very concerning to see that that has happened over the past six years.

I now refer to the matter of future predictions for electricity in South Australia. I believe that South Australia is backing itself into a corner regarding the long-term costs and supply of electricity. Currently, electricity capacity stands at 2 380 megawatts. Peak demand this year was, as I under-

stand it, close to 1 900 megawatts, and that was in March 1989. That leaves a reserve plant capacity of about 27 per cent—which in my view and in the view of people in the industry, is well below a realistic standard. As I have said, according to the Office of Energy and Planning's submission to the Industries Assistance Commission, electricity demand is projected to grow at a rate of 2.6 per annum to 1995-96, although the Electricity Trust does not believe it will be that high. The question is: what will be the growth for the next 10 years? Peak demand has grown by 3.9 per cent per annum compounded during the past 10 years, and by 4.9 per cent per annum for the past five years. These figures can be derived from public statements and the Electricity Trust's annual report. So, if this trend continues at only 3.9 per cent to the year 2000, peak demand will be 2 860 megawatts.

Interconnection with Victoria in 1990 may in reality add only about 250 megawatts. The Northern Power Station No. 3 unit, which comes on stream in 1996, will add a further 250 megawatts. That will give a total electricity generating capacity for South Australia of 2 880 megawatts by the year 2000. That leaves a very small margin of excess capacity. So, one can paint a very real prospect of there being black-outs at peak load times, industry shut-downs, a continuation of the highest electricity costs in Australia and discouragement of business investment in South Australia. On top of that, ETSA's planning already indicates that it is contemplating plant retirements from Playford Power Station of 700 megawatts, and also from the Torrens Island A Power Stations, beginning around the year 2000. So, the State's electricity supply by the year 2000 could be in chaos.

To underline the situation concerning past electricity growth and to confirm the view that the projections of the Electricity Trust are wrong, let us consider the period 1960-61 to 1984-85.

In that period, the annual growth in electricity demand was about 7 per cent, and that is confirmed in the IAC report. Gross domestic product growth over that period was about 4 per cent. Electricity's share of the energy market has continued to increase significantly. In 1960-61 that share was 8 per cent and it is now 16 per cent. The reasons for that are obvious: the use of electrical equipment in manufacturing; the growing use of electrical appliances in the home; the use of air-conditioning in high-rise buildings; and so on. We can see a continued growth in demand for electricity in the commercial and manufacturing sector.

There is a relationship between gross domestic product and the demand for electricity; that is, in the ratio of about 1.5:1. In other words, if gross domestic product grows at, say, 3 per cent, electricity demand will grow at the rate of about 4.5 per cent. That has been the relationship in over 30 countries in the past 15 years. Gross domestic product has grown in South Australia at the rate of more than 3 per cent. For the Minister, the Electricity Trust and the Office of Energy Planning to argue that electricity demand will grow at the rate of 2 per cent to 2.6 per cent is to argue that gross domestic product in South Australia will grow in the order of 1.4 per cent to 1.7 per cent. I do not accept that argument, which cannot be sustained given the growing demand for manufacturing exports and given that we are talking about big manufacturing contracts involving power, namely, the submarine project, the frigate project, as well as service industries, tourism, and so on.

I believe that the projections that are being set out by the Electricity Trust, the Office of Energy Planning and the Minister are wrong. They are not in accord with the observations of many people in the private sector. In fact, Minister Klunder himself has admitted the error of his projections. On 29 March 1989 he claimed that the South Australian gross State product grew at the rate of 3.4 per cent per annum in the seven years to 1987-88. If these rates are maintained, then worldwide and Australian experience shows that electricity growth rates will be significantly greater.

The obvious question arising from this information is, 'What options does the Government have when it comes to looking at a new coal source?' Environmental matters are of increasing concern. I believe that, in time, the environment will determine which coal field is the most acceptable to the Government. Much has been said about the greenhouse effect. The IAC has been very critical of the problems that the industry will face in the future generation of electricity. In fact, on page A.11 of the IAC report dated March 1989 it states:

> Recent International Energy Agency estimates of environmental control costs for some individual new utility units in different countries show that environmental costs as a percentage of total plant costs ranged from 10 per cent to 40 per cent. Detailed estimates of the environmental control costs of the Australian ESI are not available to the commission, although [it has been noted]... 'Investment in environmental protection measures for new power stations represents an increasingly high proportion of project costs, currently up to 10 per cent or more of the total, and measured in hundreds of millions of dollars.' The increasing importance of environmental aspects of electricity production in Australia is also evidenced by major research projects supported by the National Energy Research Development—

and other bodies. That environmental issue is of increasing importance in Australia, and no more so than within the ALP. Mr Bannon, as Premier, has a responsibility to follow ALP philosophy regarding the environment. What is the Government doing with respect to the environment when considering the location of the new coal deposit? The Government has talked about a new coal-fired power station for a number of years. As members have heard tonight from all the quoted information of the past 12 months, the proposal sets out a plan to use Lochiel or Sedan low-grade lignite coals to fire the new power stations. These coals have high sulphur, ash, sodium and chlorine contents, and their successful combustion is currently beyond commercial experience anywhere in the world.

In addition, flue gas desulphurisation, known as FGD, is required for these coals to reduce sulphur and chlorine (acid rain) emissions to an acceptable world-wide level. FGD has never been allowed for in planning proposals, because South Australian Government standards do not ask for what is now a standard requirement in most civilised and developing countries. FGD would impose a cost penalty on Lochiel or Sedan coals of up to 30 per cent of the power station's capital cost. These coals are the highest cost, highest risk and least viable option available to the State.

In other words, the Government, with all the trappings of power and with all the information available on the environment, has presumably ignored independent professional advice from world-wide experience with which it has been presented. If there has not been a more important item on the political agenda for the past few years than the environment, I do not know what has. The Government surely has been presented with advice over a number of years on this matter, but in the Electricity Trust report, in the Office of Energy Planning, in the Minister's statements and in statements over the past 12 months it has persisted in looking at the most environmentally dangerous coal deposits at Lochiel and Sedan. On the evidence that I have presented while addressing this topic, I cannot believe that the Government has persisted with this plan.

The other thing that strikes me as quite remarkable is that the Electricity Trust in particular, in the dark period until the new management took over, has apparently ignored the Arckaringa Basin as a source of fuel. It certainly does

not have the environmental problems of Lochiel and Sedan. It is close to transport and it has many other advantages. It is a massive deposit that not only could supply South Australia but also, arguably, could be used for export.

That brings us to the subject of privatisation, and in a paper entitled 'Where do we go from here: corporatisation, privatisation and the regulatory framework for the electricity sector' by Peter Swan—a paper that was presented at the Industries Assistance Commission Workshop on Pricing and Productive Efficiency in Government Electricity Authorities, 11 May 1989—he argued:

> ... the political masters of the electricity sector appear, with the possible exception of Queensland, to have been relatively satisfied with the outcomes in the sense that the situation has been allowed to persist and too little has been done. Electricity consumers and taxpayers have been relegated to second-class citizens while the short-term preoccupations of political Parties in insuring their reelection have dominated the priorities and policies of the state-owned electricity enterprises. Is it any wonder that time-of-day pricing is not taken seriously when efficient outcomes are not valued by the political process?

I asked the Attorney-General, representing the Minister of Mines and Energy, a question about what the State Government was doing with respect to the development of a new power station. Was it going to look at the possibility of inviting the private sector to develop an electricity power station, as is the case in many other countries of the world? Indeed, that proposition is being seriously examined by the Western Australian Government at the moment.

All the facts that I have read in preparing for this speech lead to definite conclusions—conclusions which do not bring credit to the South Australian Bannon Government which took office in November 1982. The facts do not reflect well on the people in the Electricity Trust who have been making key decisions, but—and I want to say this publicly—excluded from that is the new management of the Electricity Trust, and there certainly have been also some significant board changes in recent years. I accept that the General Manager of the Electricity Trust, Mr Robin Marrett, has come from a most competitive and vigorous industry—the petroleum industry—and already, in making a decision to slash the ETSA work force by 6 per cent over three years, he has shown his hand—he has tacitly said that he has not approved of what has occurred in the past six years. But that past six years of darkness has seen productivity lagging in the efficient generation of electricity in South Australia compared with our Eastern States counterparts which are bidding for manufacturing.

The perception, as evidenced by that IAC survey, is that more people in South Australia than in any other State believe electricity costs are too high—and their perception is absolutely right. The price of electricity in South Australia is progressively making South Australia less competitive. It has either the highest or second highest price for electricity. Yet, for so many years we have been told everything is all right, but that was simply not true.

Until recently the employment levels have been too high and the recognition of that fact has been accepted by the new management with $14 million a year saving. Just think what could have happened over the many years that this featherbedding has been allowed to continue. When the lights went out between 1983 and 1989 we could have had that 2 per cent cut in tariffs.

ETSA's projection of a 2 per cent to 2.5 per cent increase in electricity demand, in my view, cannot be sustained. I do not accept it, and the evidence is against it. Where is the strategic plan? Clearly, the other States have stolen the march on us in terms of getting their act together with electricity, and that is shown in the publicity that Queensland, New South Wales and more latterly Victoria are getting. South Australia suffers the tyranny of distance. We need to be more than competitive with the other States, and electricity prices are a critical component in successfully bidding for manufacturing opportunities that may exist around Australia.

What are we going to do about the next coal deposit? Will we continue with this nonsense of Lochiel and Sedan which are environmentally unacceptable, or will we look at a deposit which as far as I can see has been basically neglected? If one looks through the trust's reports, the Arckaringa Basin has not been given the time of day. It is mentioned briefly by the Office of Energy Planning, yet geologists and people in the private and public sectors with whom I have spoken have accepted the fact that the Arckaringa Basin option—the Wintinna deposit—is certainly a viable, cost effective and environmentally acceptable option.

The Hon. G. Weatherill: Who owns it?

The Hon. L.H. DAVIS: Meekathara Minerals is the owner of the project. It can be put on the record that as a public company it should not be forgotten as a serious contender, because Meekathara Minerals in recent months has been awarded, over large companies such as RTZ, the coal deposits in Ballymoney in Northern Island, which is the largest deposit in Great Britain. The company has taken in BHP as a joint venture partner for the possible development of that for a power station in the future.

It has expertise and there have been doubtless others who have been involved in the coal search in the Arckaringa Basin who also could be interested. That leads to the other point that I have articulated, that with private sector partners there could be a private power station or a station developed in association with the Government if the Labor Party did not feel comfortable about allowing the private sector to develop a power station, although I suspect that after the next election it will not have that decision to worry about.

Then there is the reality that we are becoming less competitive with our interstate counterparts. I am forced to conclude that State development in South Australia could be short circuited unless a strategy plan for the electricity supply industry is adopted as a matter of urgency. The dogma which has dominated the debate on this subject over the past seven years has been shameful and must be swept aside. The State Labor Government has much to answer for in respect of its passive and largely ignorant approach to this subject.

The new management of the Electricity Trust to which I have given credit faces a challenging task in the immediate future. The recent announcement by the trust's General Manager (Mr Robert Marrett) of staff cuts of 350 jobs (six per cent) in the next three years, leading to savings of $14 million a year and a reduction of two per cent in tariffs, is a tacit recognition of the truth of what I have said tonight. It is also confirmation of the IAC report and the observations of the NUS.

It is time to bring electricity out of the shadows, to cast some light on the subject and recognise that electricity generation, productivity, pricing, the next coalfield to be selected and the timing of the next new power station are matters which must be addressed if South Australia is to remain competitive against the other States.

The Hon. DIANA LAIDLAW: I thank His Excellency for his address when opening the fifth and last session of this 46th Parliament. On this occasion, as on past occasions, I was interested to note the content of the speech and in particular the ordering of the Government's priorities. On this occasion environment ranked highly—I think second

in the order of priorities. A quick perusal of past speeches identifies that two years ago environment in the Government's priorities was well down the list.

It is also interesting to note that two years ago tourism ranked at the top of the list of the Government's interests in the Governor's speech. On this occasion it was second to last, and the arts unfortunately did not rate a mention. As I say, it is interesting to reflect on the Government's changing priorities and perception of issues and activities which are of importance to the State.

Tonight I intend to address an issue which is important now and will continue to be important in future—the care of children. His Excellency made the following reference to this issue:

> For very young children and their families, my Government is pleased that agreement with the Federal Government will provide a major expansion of child care over the next three years. Some 1 700 places in out-of-school care are to be provided, against a backdrop of significant increases in children's services during the past financial year.

That is indeed good news for South Australia. However, there are other issues that I want to address.

I believe that every honourable member would hold the view that childhood years are of crucial importance to the emotional, intellectual, physical and social development of an individual and that to realise the optimum development of children it is desirable that children receive love and nurture from adults with whom they can build up trust and affection and enjoy a continuing relationship of caring. The Liberal Party believes that care, development and support of children is the primary responsibility of parents and that in exercising this responsibility the community needs to provide various levels of assistance to complement parental care.

The care and development of children is not simply a women's issue, although the absence of affordable quality care of children—day long care, before and after school care, vacation and crisis care—denies women the opportunity as individuals to participate more fully in our society. Increasingly, the care and development of children is being promoted alternatively as a political issue, an industrial issue and an issue of major importance to our national and State economies. Rarely, and regrettably, however, is the issue of child care advanced from the perspective of the best interests of children, and in addressing this issue in future it is my earnest hope that the focus of the debate on child care will turn to the best interests of children.

In the meantime, the debate in this State and nationally on how best to provide and fund child care is being argued from a variety of fronts. I understand it is also to be the focus of a national conference in Melbourne next month. There are arguments in favour of maintaining and expanding the system of Federal Government subsidised centres for tax deductibility status for child care expenses and for the introduction of a voucher system. Also, there are arguments promoting more support for parents to care for their children at home, at least up to the age of five years and possibly 12 years. I seek to incorporate into *Hansard* an outline of arrangements as at June 1987 for the care of Australia's 2 887 900 children under the age of 12 years.

Leave granted.

Children under 12 years of age: combination of categories of care, June 1987 ('000)

Combination of Categories	Number
Formal child care only	263.3
Information child care only	896.9
Other only	1 517.6
Formal and informal child care	191.0
Formal child care and other	*
Informal child care and other	18.2
Formal and informal child care and other	*
Total formal child care	455.2
Total informal child care	1 106.4
Total other	1 536.8
Total children under 12 years of age	2 887.9

(* Standard error of more than 50 per cent, consequently figures not available.)
[Source: ABS Catalogue 4 401.0, *Child care arrangements, Australia, June 1987, Preliminary* (Canberra, April 1988)].

The Hon. DIANA LAIDLAW: Perhaps the only issue on which all sides of the child care and development debate are prepared to agree is the fact that current policies, practices and funding arrangements are hopelessly inadequate in providing parents with the ability to exercise true freedom of choice about the most appropriate form of care for the development of their children. The other issue beyond debate is the fact that the decision to have a child or children has major financial ramifications for a family and for the mother in particular.

A study conducted by the Australian National University last year identified that the average Australian woman lost $336 000 during her life in forgone earnings after having a child. Absence from the labour market, loss of skill, reduced working hours and lower pay were contributing factors. Second and third children added further losses of $50 000 and $35 000. The most substantial loss was for the highly educated woman at $2.5 million. The study concluded:

> It is very obvious that the big decision in terms of forgone earnings is whether or not to have the first child. Second and subsequent children matter, but the financial consequences are relatively slight.

A century ago in Australia, the fertility rate was six children per woman. Now it is 1.9 and the Australian Bureau of Statistics has forecast that, by the year 2031, it will have slipped to 1.6. In the year 2031, in only 40 years time, there will be 128 persons aged 65 and over per 100 children, compared with a ratio in 1987 of 47 aged persons per 100 children. The cynical amongst us may suggest that in 40 years time children will be such a scarce commodity in Australia that families, women and children in particular, may get a much better deal than they do today.

I wish to argue most forcibly that for too long in this country our taxation system has provided positive disincentives for families to have children and that this must change. The Federal Liberal Party is currently addressing this matter. In the meantime, the discriminatory features of our tax system have been aggravated in recent years by ever increasing costs of essential services—State Government charges for services such as electricity and water—and, in the past year, by record levels of interest rates for housing mortgages. These increases in the basic household expenses are presenting an insoluble problem for families with young children where both parents find that they must have paid employment simply to make ends meet.

They cannot afford not to have two incomes. However, now they also find that the paucity of quality affordable child care options is making it an uneconomical option for one parent—generally the mother—to continue paid employment. The cost of obtaining quality care is high in Australia; many would argue that it is far too high. Subsidies or fee relief have been available since the McMahon Liberal Government in 1972 introduced the Child Care Subsidies Act. The fee relief, which operates on a sliding scale, depending on joint family income, cuts out at $32 500 to $35 000, depending on the number of children.

Currently, up to 65 per cent of parents Australia-wide with children at Government subsidised centres receive some fee relief. It does not take much income, however, for two parents to reach the cut-off point for fee relief, for instance, a husband on $20 000 with a wife on $15 000. Even a woman on a salary of $25 000, a high average salary for a woman, finds that the high cost of child care tends to wipe out the benefits of employment. Tax accounts for $4 000; child care for $6 000; loss of the dependent spouse rebate, $1 200; and on top of this she has travel and other work related expenses of a further $1 500, leaving $12 300 for the year's household expenses.

However, the situation is even worse for lower income earners where the effective tax rate and other costs, including child care, are so high as to make it uneconomical to take a job, leaving the family trapped in poverty. Sole supporting parents, the vast majority of whom are women, fall into this category. Sole supporting parents dependent on social security benefits have suffered immeasurably because of the high cost of care for their children. In recent months I have received scores of anxious phone calls—and suspect that members opposite have done likewise—from sole supporting parents, indicating that they wish to pursue or were pursuing higher education or further training in order to lead a life independent of a social security pension, but they were now unable to do so or had dropped out of such courses because of the cost of care for their children.

Against their will, many women have been returning to a life dependent on social security, merely because of the cost of quality care for their children. I received a phone call yesterday from a woman who said that she was no longer able to take her child to lectures at one of our higher education institutions because her child had apparently been disturbing the attention of other students and, particularly, of the lecturer during the lecture. However, she had no other choice. Her parents lived in the country and she felt that she had no choice but to take the child to those lectures, and since yesterday she was faced with quite a dilemma whether or not to continue her course.

In recent years, one of the difficulties for lower income families with children utilising subsidised care has been the fact that, for the past three years, the Hawke Government has made no adjustment to the $90 fee relief ceiling per child per month.

Accordingly, low income families find it increasingly difficult on these limited financial resources to fill the gap between the subsidy and the ever increasing cost of care—a problem even more acute for parents with more than one child. This subject was the focus of a public meeting held on 3 July—with a capacity audience—which the Federal Minister (Dr Blewett) attended. That meeting was held a few days after the latest round of fee increases.

The same matter of the gap between the subsidy and the cost of care was addressed in the latest issue of the *Public Service Review* under the heading of 'Rising costs threaten child care.' I quote the following paragraph from this article:

> It seems ironic that, whilst the Government is working very hard to increase child care places, they are not recognising the difficulty that existing centres have in operating efficiently on the current funding structures. It is pointless providing child care places if people cannot afford to use the service.

In relation to the Federal budget that was delivered on Tuesday night, I was pleased to note that the Hawke Government has seen fit to address some of the issues that I have highlighted about the affordability of child care. I note that, in respect of fee relief, the Government will be introducing increases for family day care and long day centres of up to $7 a week and an annual indexation of fee relief in future years, at a cost this financial year of $8.9 million, increasing to $16.5 million in future years. This will address some of the problems that I have outlined, but it is not backdated to take account of inflation over the past three years and address that gap situation, although it does seek to address it from this time.

There are many other hidden problems in relation to the rising costs of child care that impact on the important issue of quality care. The provision of quality care requires adequate staff who are appropriately trained and who provide a continuity of care. Overwhelmingly, research evidence identifies that the quality of staff is the most important factor related to the well-being of young children in child-care. There is no question that children attending child-care centres will suffer where there are not enough staff, where the staff are untrained and poorly paid, and the turnover is high. Yet, to our shame, this is the situation that exists in so many centres throughout South Australia today, and in large measure it exists because of the rising cost of child-care.

As the August edition of the *Public Service Review* noted, the biggest cost of child-care centres is the staff component, so when cost pressures exist, as they do at present, and budget cutbacks are required, the staff are the first in line. Staff conditions are being eroded at child-care centres. Staff are being expected to work longer hours, with reduced sick leave, with no access to study leave or time available for programming. Certainly, they enjoy no career structure. As a consequence, centres are experiencing a high turnover of staff, a problem compounded by the lack of value and recognition given to the child-care profession.

In South Australia, draft regulations addressing the operation of child-care centres have been floating around since early 1987. Today, they are probably gathering dust somewhere, because, despite some inquiries that I have made over the past few days, nobody seems to know what has happened to those draft regulations or what the Government's intention is in regard to gazetting new regulations. I note, however, that in Victoria regulations are being formulated, similar to those that were proposed in South Australia some 2½ years ago. The Victorian regulations give recognition to the importance of trained staff. Appropriate training may vary from degree courses to shorter certificate courses and in-service training, depending on experience and the responsibility that child givers are to assume.

I recognise that some people argue that our community does not expect parents to have formal training in child development so it is unreasonable to expect such training for those people engaged in caring for young children in group situations outside the home. However, the adequate care of large numbers of children in group situations does require knowledge of child development and skills additional to or different from those used in parenting in the home. In this context I note the sad reflection made by the Director of the Lady Gowrie Child Centre in her annual report last year, and I quote:

> Forty years ago early childhood centres or kindergartens required all staff working directly with children to be qualified, assisted by volunteers. Now the majority of workers are 'unqualified'.

I will briefly canvass two additional issues related to child-care. First, I refer to work based child-care, which is being promoted in Australia at present from two perspectives: by the Government, because the involvement of business enterprises in the provision of child-care is seen as an economically attractive option for increasing the number of available facilities; and by many businesses, which see their involvement as sound management practice. As I noted earlier, neither perspective addresses this issue from the focus of the best interests of the child.

Child-care facilities provided by companies for employees can be deducted as a business expense and, because the benefit is exempt from fringe benefits tax, it represents a substantial saving for employees. The employer subtracts the cost of child care from the employee's gross income who, in turn, pays tax on the lower amount. In spite of this financially attractive option, involvement by Australian business in the establishment of child-care facilities has been extremely slow. Lend Lease, Esso and Civil and Civic are the most oft quoted examples of companies involved in the provision of child-care. However, in the United States some 4 000 companies have been involved in some form or other of child-care benefits and this is a substantial number compared with the number in Australia. However, that figure represents less than 1 per cent of US industry.

I understand that in 1984 a survey of 58 US companies providing employer sponsored child-care found that absenteeism fell by 72 per cent and labour turnover by 57 per cent, which represented a large dollar saving and increased productivity. I also note that the the June issue of *Engineers Australia* recognised the value to employers of taking some responsibility for child-care. The Public Relations Director of the Institution of Engineers Australia, Dr Dack, is reported as acknowledging that child-care would be an important issue for employers as a means of minimising turnover and attracting people back into paid employment. He stated that Australia already has a shortage of engineers, a situation currently masked by recruitment of personnel from overseas.

Meanwhile, the institution's Women in Engineering Council has adopted a policy on the participation of women in engineering, which includes support for access to child-care facilities. It is proposed that in March next year a conference on women in engineering will formulate child-care policies for the institution to approach both employers and the Federal Government. I know that this industry is conservative and the development of a child care policy is very exciting. I can assure members that I will exert whatever influence I can behind the scenes to ensure that such a policy is implemented fully in the near future. Perhaps South Australian heavy industry can set an example on that score. I will certainly push for such an initiative wherever I can use my influence.

The child-care challenge in the workplace is a matter not only for management but also for the trade union movement. I appreciate that earlier this month the ACTU presented its case to the Industrial Commission for 52-weeks unpaid paternity leave; the right of mothers and fathers to take extended leave at a time of their choice, up to the child's second birthday; and the right for workers to have five days paid leave a year to take up family responsibilities. The employer representatives are to present their argument to each of these claims in November.

[*Midnight*]

In my view, this claim is an extremely important one which should be discussed in the framework not only of the impact of costs but also of what we believe to be socially and economically desirable for the care and development of children in this country at a time when we have a dramatically declining population, in part because of a rapidly declining birth rate.

The union movement has been more reluctant to respond to the need to introduce more flexibility into award provisions so as to cater for families who are endeavouring to fulfil their responsibility for the care and development of children. During a child's younger years, the majority of women do seek part-time work, and this was acknowledged by the office of the Women's Adviser to the Premier in the very important report 'Women at Home' which was produced last year.

Few Federal or State awards provide for permanent part-time work that attracts pro rata leave provisions and superannuation. I also understand that State awards do not provide for a twilight shift from 4 to 8 p.m. Such a provision exists in the United Kingdom, and has done so for some time, for instance, in the clothing and footwear awards. This provision has enabled thousands of women in that country to work in the clothing and footwear industry during the hours after their husband or partner has returned home from work and they are then able to share the responsibility of caring for the children. The lack of a similar provision in Australia and South Australia is in part responsible for the growth in numbers of outworkers in the clothing industry. That matter was the subject of legislation in this place earlier this year.

As I indicated earlier, the provision of child care relates not only to women and to families with two parents in the work force: it is an equally important issue for a parent who has responsibility for the full-time care of children at home. I argue that, for too long, the need for occasional care for children has been neglected by the State and Federal Governments and our community at large.

Parents—generally mothers who work at home—do need occasional care services so that they can obtain relief from full-time parenting or so that they may have a chance to obtain further education, to develop other interests such as sporting interests, or even to attend appointments. It was interesting to note that in its budget submission to the State Government for this financial year SACOSS recognised the importance of this issue when it recommended that the State Government develop an occasional care policy with flexible guidelines to provide funding for a variety of community sources most capable of responding to the respite care needs of low income families.

SACOSS recommends that, of the potential 360 new occasional care places made available through Commonwealth and State funding, a significant number should be allocated to community groups. I would argue that community group involvement in the provision of not only occasional care places but also full day care places would substantially increase the number of affordable and available places for child care in this State. I hope that if new regulations are implemented for child care in this State there is sufficient flexibility in those guidelines to provide for the occasional care initiatives, and particularly initiatives sponsored by a variety of community groups.

I conclude by reinforcing my initial contention that the care of children is the primary responsibility of parents. However, in my view, there are major benefits for our society, including benefits for children, if parents are able to afford good quality care for their children. Perhaps the birthrate in this State and nation may even start to rise again if parents, particularly mothers, know that there are opportunities for them to combine with ease child rearing, child-care and development and paid employment. Such a development is in the best interests of this State, families and children at a time when we have a declining population.

I also argue that affordable quality child-care will provide a much better return for the State in terms of the future well-being of children than some of the situations I see today where children are cared for in grossly inadequate conditions and are often left unsupervised at home while their parents seek paid work. I have grave fears about how these children will develop as future citizens. I strongly

argue that the provision of affordable quality child-care might see social security, criminal justice, housing and other problems reduced, and that subsidised care for children may be a more economical and socially beneficial option than some of the situations that one can predict arising from some of the grossly inadequate care that parents are often forced to place their children in because of the inadequate availability of affordable quality long day and occasional child-care in South Australia at present. I support the motion.

The Hon. G. WEATHERILL secured the adjournment of the debate.

ADJOURNMENT

At 12.3 a.m. the Council adjourned until Tuesday 22 August at 2.15 p.m.