LEGISLATIVE COUNCIL

Wednesday 18 October 1989

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

PORT ADELAIDE POLICE AND COURTS COMPLEX

The PRESIDENT laid on the table the following interim report by the Parliamentary Standing Committee on Public Works:

Port Adelaide Police and Courts Complex.

QUESTIONS

MODBURY HOSPITAL

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 Modbury Hospital.

Leave granted.

The Hon. M.B. CAMERON: I am advised that during the past month four of the nine staff working at Modbury Hospital's casualty section have resigned, and that a further staff member is also considering leaving. I am also advised that the hospital is having extreme difficulty in providing a casualty service, and some nights it has been impossible to fill the roster. On occasions there has been no doctor to fill the duty and the hospital has had to draft a registrar to casualty from elsewhere on an 'as needed', basis.

I have been informed that the hospital came close to losing three patients in casualty last week simply due to staff shortages. The problems at Modbury are reflected in frequent complaints that the Opposition receives from the public about the hospital, recent media reports on delays in the casualty section, and replies to questions raised in the Estimates Committee.

For example, only last Monday a report on Channel Seven detailed how a man involved in a car accident at Gilles Plains waited for more than 90 minutes without receiving any attention from a doctor. The allegation was that in the end, he had to take himself to the Royal Adelaide for treatment. There the man was diagnosed as having a cracked rib, extensive bruising and intense pain. At the same time replies received by the Opposition from the Estimates Committee show that the time patients have to wait in Modbury's casualty section before being assigned a bed has increased markedly.

In fact, during April-June 1988 patients had to wait on average 45 minutes but, during the same period this year, the average wait had blown out to 2½ hours. Medical staff have told me part of Modbury's problem is the poor staff morale, which has led to resignations.

I understand that doctors who have submitted time sheets claiming overtime have had that claim cancelled by the hospital's management. The Health Commission is understood to be aware of this practice and appears to give it tacit approval. What steps are being taken to replace the valuable medical staff who have resigned from Modbury Hospital's casualty section during the past month due to dissatisfaction with conditions at the hospital?

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

STIRLING COUNCIL

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Minister of Local Government a question about the Stirling council.

Leave granted.

The Hon. K.T. GRIFFIN: In a letter dated 18 July 1989 from the Crown Solicitor to Mr E.P. Mullighan QC, as he then was, on the Ash Wednesday 1980 bushfires, the Crown Solicitor identified that $1 million was to be paid to Nicholas Casley-Smith in settlement of his claim and costs, based upon a claim that the trauma of the bushfires had brought on schizophrenia. In addition to the Government's advice to settle the 'Anderson claims' for $9.5 million, the letter said:

> Cabinet also determined that the Government would give an undertaking to the Anderson plaintiffs that the Crown will guarantee and secure to the plaintiff Nicholas at all times full and free care and medical treatment in South Australia, such care being sufficiently provided in a Government or Government-funded hospital or institution in South Australia, in accordance with the provisions of the Mental Health Act 1977 and any exercise of power conferred by that Act.

My questions are as follows:

1. What is the estimated cost of the provision of that 'full and free care and medical treatment'?
2. Are the ratepayers of Stirling council area to be required ultimately to meet that cost?

The Hon. ANNE LEVY: I do not have any information on the estimated cost. I presume it could be actuarially determined and I will certainly seek information regarding that. If it has not yet been actuarially determined, I will request that it be so determined. The cost is part of the debt which the Stirling council owes to the Government. Seeing that the Stirling council itself will not be able to meet the full cost of the debt to the Government, it is impossible to say whether the proportion that it pays will include a pro rata payment for the compensation mentioned or whether it will be in the part which Stirling council funds or the part which Stirling council does not fund. I do not think that any sense could be made of that question.

TOURISM

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

Leave granted.

The Hon. L.H. DAVIS: From time to time I have been critical of the lack of marketing of tourism product in South Australia, and I have instanced three consecutive World Expos where South Australia's presence was grossly underrepresented. That situation was well within the Government's control. In 1988, as the Minister would be well aware, there was a good deal of criticism of the failure of South Australia to match the other States in promotion at Expo. On this occasion I draw the Minister's attention to a private sector promotion for holidays in South Australia put out by Ansett Travel Service which, of course, is owned by Ansett Airlines—although the pilots' dispute would prevent many people taking advantage of holidays and perhaps even planning holidays.

This brochure is called 'I need a holiday.' As the Minister would be aware, these brochures are often put in the marketplace and perhaps have a life of up to 12 months. This is a brochure of some 22 pages, and I draw the Minister's attention to the fact that in 22 pages South Australia is mentioned in 12 lines. It mentions the Festival of Arts, the Grand Prix and some nice hotels. It suggests that, if one is

a little more old-fashioned, one can go to the Barossa Valley, and it states that the picturesque Adelaide Hills are just a short drive away.

Immediately after that almost cursory glance at South Australia—12 lines—there are 12 lines on Launceston alone, and another 20 or 30 on Tasmania, and Tasmania is mentioned again along with Western Australia and Queensland. In all the promotion, including glossy photos of various States and the holiday features, there is nothing about South Australia at all. I do not suggest for one moment that that is necessarily within the Government's control, but it concerns me that South Australia is so badly underweighted in this brochure, and it raises the point of the marketing of South Australia and the liaison which Tourism South Australia has with prime promoters of the Australian tourism product, such as Ansett Airlines.

I draw this to the Minister's attention and ask whether she is aware of this brochure (which has been out for some months) and whether she may care to investigate the matter to ensure that South Australia is not underweighted again in future productions of this kind.

The Hon. BARBARA WIESE: I am not familiar with the process that was undertaken for the preparation of the brochure to which the honourable member refers. However, I will make some inquiries and let him know what the process was. I assume that the decisions taken to include various parts of Australia in the brochure would have been taken by the airline itself. I would be very surprised if it was because of any lack of effort or attention on the part of Tourism South Australia's marketing officers, if they were given an opportunity to participate in it, that South Australia might not have been weighted as well as it otherwise could have been.

People within the Marketing Division of Tourism South Australia work very hard at taking up all available opportunities of which they can avail themselves in seeing that South Australia is included in promotional literature, particularly if there is a possibility of that inclusion coming about at little or no cost either to Tourism South Australia or to individual operators within the State. The marketing section has over the years been extremely successful in achieving such promotion through other organisations' material, and will continue to maximise those opportunities.

In addition to that, of course, during this coming financial year the organisation is taking an initiative, which has not been taken in the past, of starting to put together packaged product for people coming to South Australia. That is not to say that there has not been packaged product for South Australia in the past.

However, there is a shortage of that type of product which can readily be sold to visitors from other parts of Australia and overseas relating to product within South Australia, and it is a matter which we are now addressing during the course of this financial year. It is a matter which in the past has not been taken up to any great extent by representatives of the industry because most of the representatives of the industry in this State are fairly small operators. They do not have the expertise in packaging, and very often they do not have the financial resources to embark on such a thing.

With our support, financial input, advice, and the expertise of a consultant whom we have now engaged, we are hoping to address that problem and to make sure that there is much more packaged product available for people who are interested in visiting South Australia. Of course, that product will largely be directed at motorists, because they make up the majority of tourists coming to South Australia; that is, at least, in the first instance.

Once we have been successful in proving packaged product for motorists, hopefully we will be able to branch out and work much more closely with accommodation, houses, airlines and others in better packaging airlines, accommodation and other product for people in the marketplace. So considerable activity is taking place to promote the State through these publications at the moment. As to the honourable member's particular question about the Ansett publication, I will certainly seek a report and bring back a reply.

ENERGY CONSERVATION

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Mines and Energy, a question regarding energy conservation.

Leave granted.

The Hon. M.J. ELLIOTT: I have a copy of a magazine known as *Electricity Week,* which is a weekly newsletter for the Australian and New Zealand electrical industry. It combines two very interesting items, the first of which quotes the Chief of the State Electricity Commission of Victoria, who has just returned from a conference overseas and looked at what was being done there. He said:

> I therefore would expect utilities to be lobbying their Governments against support for the Toronto goal as having some binding or even strong voluntary impact on national/provincial policies and practices. Looking back at the years it has taken to make significant progress on acid rain in North America and Europe, it would be very optimistic to expect a quick change of heart about the greenhouse effect.

The report continues:

> On energy conservation, Smith said there was little action around the world to match the initiatives being taken in Victoria, even though it makes good business, customer and environmental sense.

Smith went on to make quite a few other comments, but the general tone of his article was that there is a great deal of resistance within electricity producing circles to energy conservation.

Within the same magazine there is another article talking about a meeting of the Australian and New Zealand Environment Ministers. Headed, 'ANZ Environment Ministers to study 40 per cent in greenhouse gases', it states:

> A meeting of Australian and New Zealand Ministers for the Environment last week resolved to investigate ways of reducing greenhouse gas emissions by up to 40 per cent.

I did raise some of this by way of question only a few days ago. I noted that Victoria and New South Wales have committed themselves to using 20 per cent less energy, and I obviously have a view similar to that, which was shared by the Hon. Mr Davis in this morning's *Advertiser*, when he pointed out that South Australia is contemplating building a further two power stations, which could mean a carbon dioxide emission increase of somewhere between 20 per cent and 40 per cent, compared with reductions in other States of up to 20 per cent.

A couple of questions arise from this: first, why do we seem to have this conflict between the energy producers and those who are concerned about the environment? What does the Minister of Mines and Energy intend to do about this? Does he see a need to separate the mines part of his department and the energy part because, quite clearly, the mines lobby wants to continue to draw more and more coal and other energy producing substances from the ground? What sort of impetus will he give to energy conservation?

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

HOME AND COMMUNITY CARE PROGRAM

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Health and Community Welfare, a question about the Home and Community Care Program.

Leave granted.

The Hon. DIANA LAIDLAW: There is an increasing and widespread sense of disillusionment amongst both the providers and the recipients of home and community services across the State, particularly with regard to the administration of the program and distribution of funds. This dissatisfaction has been compounded in recent days following a letter from the manager of the HACC support unit to the committee members of the HACC regional advisory committees. The letter states:

> The Strategic Plan for 1989-90 has recently been endorsed by the Policy Advisory Committee and will be distributed to you following consideration and approval by the HACC Ministers. The plan outlines service priorities, major reviews and other areas of program development, including some of the follow-up arising out of the national review. It includes an expansion of domiciliary care services based on the outcomes of the recent review, the development of an information system, and the implementation of a new home maintenance, safety and security scheme. Many of these directions have been initiated by the SA Government. Given this, a number of the service priorities which your committee provided in 1988 for the 1989-90 financial year will be 'rolled over' for the 1990-91 financial year.
>
> In the light of these circumstances, I consider that it would be difficult to justify asking regional advisory committees to now spend valuable time discussing priorities for 1990-91. You will also see from the above that there is a lot of work to be carried out by Commonwealth and State project officers. I would therefore appreciate it if you did not call upon them at this stage to provide secretarial support for meetings held before Christmas.

Essentially, I understand that that last reference to the non-provision of secretarial support means that the HACC support scheme is suggesting to the regional advisory committee that those committees should not meet until at least after Christmas of this year.

It is clear from the letter by Mr Robert Leahy, the manager of the support unit, that priorities for the delivery of HACC services to the aged and disabled persons in our State determined by regional consultative committees have been arbitrarily set aside by the Bannon Government in favour of services which the Government deems is in its own interests. This politically expedient approach to service delivery of Home and Community Care services is contrary to the stated objectives of the HACC program and is offensive to both the providers and the recipients of the services.

I also understand that, in setting its priorities for the spending of HACC funds for this financial year and next, the Government has not only ignored advice and priorities set by the regional committees but also failed to consult or seek the final opinion and agreement of the Federal Government before announcing its proposals. This is important, considering that the HACC program is a joint Commonwealth/State initiative.

I therefore ask the Minister, first, why the Government has overridden the priorities for service delivery in 1989-90, as determined by the regional advisory committees of HACC, in favour of its own political perception of priorities for services to the frail-aged and young disabled persons in this State. Secondly, what reason will he provide to convince committee members that it is worthwhile participating in consultations on individual and community needs, when the Government appears to be singularly uninterested in the outcome of their deliberations? Thirdly, will the Minister table the letter from the Federal Minister responsible for the HACC program (Mr Peter Staples) to the State Minister, outlining his displeasure that neither he nor his departmental officers were consulted on the content of the Government's program and, if not, why not?

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

HENLEY AND GRANGE COUNCIL

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister of Local Government a question about the Henley and Grange council.

Leave granted.

The Hon. R.I. LUCAS: I refer the Minister to an answer she gave to the council last Thursday about proposals to aboish the Henley and Grange council and split it between the Woodville and West Torrens councils. The Minister said tht she had referred the matter back to the Local Government Advisory Commission to ensure that there had been sufficient consultation on the matter. She did not indicate when she expected to receive further advice from the commission. However, further information the Opposition has received suggests that at least some people in Government circles are assuming that the commission's recommendations will be implemented. I have been informed that a meeting of the West Torrens council was advised last night by the Town Clerk that the local government office—whether that means the department or the advisory commission is a moot point, but that was the phrase he used—had asked the council to redraw ward boundaries incorporating an area of the Henley and Grange council.

My questions to the Minister are: Has she received any further advice from the LGAC since referring its report on Henley and Grange back to the commission? If so, what is that advice and, if not, when does the Minister expect a further report from the Commission? Secondly, can the Minister explain why the West Torrens council has been asked to redraw ward boundaries in anticipation that it will amalgamate with a part of the existing area of the Henley and Grange council?

The Hon. ANNE LEVY: I have not received any further advice on this matter from the Local Government Advisory Commission, and I cannot say when it is expected. As I have said many times in this place, the Local Government Advisory Commission is an independent body and I cannot instruct it as to what it will do or when it will do it. I have corresponded with it and I am awaiting a response. As to the question of West Torrens, I have no knowledge whatsoever of what the Chief Executive Officer of West Torrens is referring to. I am not aware of any such request having been made, as the Hon. Mr Lucas reports. I can certainly check whether any such request has been made, but I am totally unaware of it and the reason, if it has been.

The Hon. R.I. LUCAS: As a supplementary question, given that response, will the Minister ask her officers to make an urgent investigation of the claim by the Town Clerk of the West Torrens council and bring back a reply to this place?

The Hon. ANNE LEVY: I have already said that I will seek a report regarding the apparent claim by the West Torrens Chief Executive Officer. I cannot say it more plainly than I said it the first time.

PUBLIC SECTOR INJURIES

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister representing the

Minister of Labour a question on the subject of public sector injuries.

Leave granted.

The Hon. J.F. STEFANI: On 13 September 1989, during the Estimates Committee, the member for Mitcham (Mr S.J. Baker) asked the Minister of Labour a question on public sector injuries. The reply indicates that the longer term injuries—namely, those exceeding 21 days lost time—are represented by sprain, strain and stress. In fact, the indications are that sprain and strain represent 45.9 per cent of the total injuries, and 302 people have been off for 21 days or more. Stress represents 28.4 per cent of the total injuries, causing 187 people to be off work. These two categories alone represent over 74 per cent of the total injuries sustained in the public sector. I have some concern about the high proportion of injuries in those two categories. What is the Minister doing to remedy this high incidence of injuries? Will he report on what remedial action has been taken by the Government?

The Hon. C.J. SUMNER: I will seek a report and bring back a reply.

AGE DISCRIMINATION

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Attorney-General a question on the subject of age discrimination.

Leave granted.

The Hon. DIANA LAIDLAW: In his ministerial statement in this place on 4 April, the Attorney-General advised that it was the Government's intention to introduce legislation on the subject of age discrimination but that, because of the complexity of the issue, the legislation which was being drafted would not be ready for introduction in that session. The current session of Parliament commenced in August. It was anticipated by many in the community (and certainly by the Opposition, based on the Attorney-General's earlier ministerial statement) that age discrimination legislation would have been circulated during the recess, that discussions would have been undertaken and that the legislation would have been ready for introduction before the conclusion of this session, which is likely to be in a few days or weeks. However, that was not the case. For some reason, the Bill appears to have been held up and circulation, consultation and discussion on the Bill have been held only within recent weeks.

I also understand that the groups representing older people, younger people, the UTLC, employers and the like anticipated that the Government proposed to introduce a Bill and then have it circulated for comment. Again, that earlier understanding by those groups has not been pursued by the Government.

I further understand that the groups which have seen the Bill today have asked the Government to withdraw that legislation and that that was the subject of a meeting held by the Attorney-General yesterday with six or eight representatives of various groups in South Australia together with the Minister for the Aged (Dr Hopgood) and the Minister of Youth Affairs (Mr Mayes).

I am sure that all honourable members would be interested in the outcome of that meeting. Did the Attorney-General advise the groups at that meeting that it is the Government's intention to introduce the legislation this session, or did he advise them that, because of their variety of concerns with the Government's Bill in its present form, the Government would back away from earlier commitments to act on this issue?

The Hon. C.J. SUMNER: The Government is not backing away from any commitment in respect of this issue. Following the matter being dealt with in the Parliament during the autumn session and a statement being made that a Bill will be drafted and circulated for comment, that has happened. There have been consultations with interested parties, including those representing youth, the aged, the employer groups, the United Trades and Labor Council and Sacos. As a result of that consultation process to date, a meeting was held yesterday at which the groups put to the Government that the Bill should be delayed to enable further consultation to take place amongst themselves to try to iron out any problems that might exist.

The Government obviously does not want to press a Bill through Parliament when all the interest groups concerned do not want it to proceed at this stage. Therefore, the Government's intention, which was agreed to yesterday by the meeting of interested parties, is to introduce the second reading explanation of the Bill and then enable a period of consultation to take place, with the understanding with the groups that I have mentioned that debate on the Bill will resume in the autumn session next year—that is, in February or March—once the consultation process has been completed. It is my intention to introduce the Bill tomorrow. To facilitate that process, I give notice that on Thursday 19 October I will move that I have leave to introduce a Bill for an Act to amend the Equal Opportunity Act 1984.

The Hon. Diana Laidlaw: You really do not know where you are going on the issue, do you?

The Hon. C.J. SUMNER: The honourable member interjects, and that is pobably the most banal interjection I have heard, even from her. There is a Bill—

The Hon. Diana Laidlaw: But no-one agrees to it.

The Hon. C.J. SUMNER: That is not correct. There is a Bill—

The Hon. Diana Laidlaw interjecting:

The Hon. C.J. SUMNER: If they do not agree with the Government's Bill, they certainly do not agree with yours. I can assure the honourable member that they are not the least bit interested in the Opposition's politicking about the matter. The honourable member's inane interjections only demonstrate why the groups interested in this issue are giving her position and Bill no credence. The fact of the matter is that the Bill is available. There has been consultation on the Bill, unlike the honourable member's Bill, which was not going to pass anyhow because there had not been the work done on it. It was introduced—

The Hon. Diana Laidlaw interjecting:

The Hon. C.J. SUMNER: The Bill was introduced as a political exercise to try to curry favour. That is fine. The honourable member has put on record the fact that she wants a Bill dealing with age discrimination. That is fine as a principle, but that is as far as the matter went. There is no question of the groups that we have interviewed and those we had discussions with yesterday agreeing with the honourable member's Bill. Except for the employer groups, who would prefer not to have legislation in this area, everyone else is agreed that a Bill dealing with age discrimination should proceed. If the groups involved had asked us to proceed with the Bill at the present time, we would have done so. However, they have asked, quite reasonably and responsibly, for time to further consult about the complex issues involved, including consultation with employer groups and the United Trades and Labor Council.

So, the commitment is there to introduce the legislation and for the principle behind the legislation. The Government has indicated that the Bill will be introduced tomorrow. The Bill will lie on the table until debate can proceed

during the autumn session. That is the specific request of the groups concerned. The Government, contrary to what the honourable member has said, made a commitment and it will be fulfilled. The Bill will be introduced and further time will be allowed for consultation.

YATALA LABOUR PRISON

The Hon. I. GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General a question about an investigation at Yatala Labour Prison.

Leave granted.

The Hon. I. GILFILLAN: Most members will be aware that for some time I have been concerned about the management and internal affairs at Yatala. Some months ago I received correspondence from a former inmate indicating that Yatala was poised for a further bout of unrest. Since the murder late last week of Anthony Wesley Stone, I have been contacted by two inmates and two current serving correctional officers. What has been relayed to me is still cause for very serious concern.

Both inmates and the correctional officers believe that the missing meat knife earlier in the day would and should have normally produced quite detailed lockup and search procedures which, I was advised, did not occur. This is the culmination of a series of other events, some of which have been made public, of sabotage in workshop areas and hot wiring of certain machinery. Correctional officers in Yatala are most bewildered and concerned that they are not being kept fully informed of events. I was informed that the morale of those serving in Yatala is the lowest ever. One officer, who has been there for 18 years, believes that morale at the moment is at the lowest level in all that time.

Management is not discussing the situation with the serving correctional officers. The current Director, Mr Dawes, and his assistant, Mr Apsey, are allegedly not listening to older officers, and many officers are most concerned. One officer in particular rang me and said that he was terrified and really wants to get out. He said that he was absolutely browned off with the relationship between serving officers and management.

There are other cuts in resources at Yatala which are causing concern and, without going through all that in detail, I indicate that the litany of complaints and concerns really do verify my long-held belief that Yatala is not being properly managed. The general opinion, which is supported by others, is that there should be an independent investigation—not just of this incident, but of the whole management structure and the current situation in the prison which was brought to a head by the murder last week.

There are allegations that several prisoners are getting preferential attention and are receiving favourable discrimination. These allegations are causing widespread unrest throughout Yatala Labour Prison. One prisoner who is under suspicion of involvement in the murder of Stone attempted, in the past few weeks, to have a social worker bring a hand gun into the prison. It has also been alleged to me that the surveillance camera in the exercise area where Stone was murdered was turned off at the time of the incident.

These matters cannot go uninvestigated. Can the Attorney-General, perhaps on his own authority, institute an independent judicial inquiry into the current management and situation at Yatala? It is not adequate to investigate only this murder; the terms of reference of the inquiry should cover the whole management and circumstances existing at Yatala. If that is not done, many correctional service officers and inmates believe that there will be continuing disturbances and more bloodshed, and I do not believe that anyone in this Chamber would like that to happen. In light of the current situation at Yatala, will the Attorney-General urge his colleague (or together with his colleague) to establish an independent judicial inquiry into the current situation at Yatala?

The Hon. C.J. SUMNER: As usual, the honourable member has made a number of allegations—whether or not substantiated, I certainly cannot say. Needless to say, an inquiry into the police investigation of the death of Stone will proceed in the normal way. As to the other matters raised by the honourable member, I will refer those to the appropriate Minister and bring back a reply.

GOVERNMENT FUNDING

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister of Local Government a question about Federal, State and local government funding.

Leave granted.

The Hon. PETER DUNN: In a speech at Whyalla last Sunday the Minister said that the Premier was going to Canberra to lobby the Prime Minister to change the granting of funds to this State from a head basis to a needs-based method. I guess that has been brought about by the Government's appalling record in attracting housing funds from the Federal Government. Of course, some years ago we had an excellent record in this area. Will the Minister instruct the Local Government Grants Commission to use a needs-based method for allocating funds to local government? If it is good enough for the Premier to ask the Federal Government for that method, will she ask the Local Government Grants Commission to use that method for funding local government?

The Hon. ANNE LEVY: The comment I made regarding the Premier was not that he was going to Canberra to lobby for this. It was announced many months ago that as a result of a request by the Premier at the last Premiers' Conference a review has been set up and investigations are being undertaken into the distribution of Federal Government money for local government between the States. Until now, that money has always been distributed to the States on a per capita basis. South Australia has submitted to the review committee that there should be a needs-based element in the distribution between the States of this Federal money for local government.

A result from that review is expected next March. If any change is to be made in the distribution of Federal money for local government, it would become operative in the next financial year. Within the State, the Local Government Grants Commission has operated on a needs basis for at least three years. It distributes money to local councils under guidelines determined by the Federal Government—it is Federal money which is being allocated between councils—and in making their allocations the members of the commission consider a great range of factors which affect the needs of the individual councils. Previously, the distribution was pretty well on a *per capita* basis only but, following changes in Federal legislation, the more needs based approach has been adopted. It is a question of staging-in this needs based approach over a seven year period. Currently, we are in year three of that seven year phase-in.

The procedure of the Grants Commission is to calculate for each council a disability factor, which takes account of a large number of different parameters which are determined for each of the 121 councils. I think 22 different

measures are used in determining the disability factor for each council. These vary from percentage of Aboriginality amongst the residents to the soil type of the area and many social, geographic and ethnological factors.

The Grants Commission has been making information available to all local councils on its method of distribution of funds or its method of calculation of disability factors. The commission members have toured South Australia extensively, meeting with councils and discussing its methods of determining the distribution, and answering any queries that the councils may have. They try to reach each part of the State about once every three years and, at certain times of the year, are constantly on the move, going around to different councils and discussing these matters with them.

It was because within each State there is a needs based element to the distribution of the Federal money to local government that the Premier requested the review of the Federal Government money to the States for local government; if a needs based element was felt desirable within each State, it should be desirable also in allocating the money between the States. It is for this reason that the review is occurring, and I am sure that all honourable members will await its outcome as eagerly as I do.

ORPHANAGE STAFF SAFETY

The Hon. R.I. LUCAS: Has the Attorney-General an answer to my question of 27 September regarding Orphanage staff safety?

The Hon. C.J. SUMNER: I referred the honourable member's question to the Minister of Labour, and he has provided me with the following answer:

I am advised that an inspector from the Department of Labour visited the Orphanage on 25 September. This visit was at the request of an elected health and safety representative who had issued a default notice requiring certain matters to be rectified by the Education Department. These matters included dust, noise, fumes and tripping hazards. Following an inspection of the premises, the inspector upheld the requirements of the default notice and immediate action was agreed. Agreement was also reached on procedures to be followed should similar conditions arise. I understand that all these matters have now been satisfactorily resolved.

MONOPOLIES

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister of Consumer Affairs a question about monopolies.

Leave granted.

The Hon. M.J. ELLIOTT: Over the past 12 months or so an increasing number of people have raised in conversation with me their concern about the increasing level of monopolisation occurring in a whole range of industries. One which was raised again today was the bread industry, where country bakeries had been seeking some protection from the large city bakeries (of which there are now really only two), claiming that the big city bakeries will have a cut price war until they have forced them out of business and picked up the market share. Then prices will go back to what they were, and the small bakeries have no protection at all.

There is a whole series of monopolies now in existence. In the wine industry there are basically only three buyers and, because of the situation that obtains, they set the price for the wineries and the wineries in turn set the price for the grapes. It is no longer a supply and demand situation in relation to grapes or a large number of other products. Another example which has been brought to my attention is the Coles-Myer chain (or, should I say, the Coles-Myer-Target-K Mart-Ezywalkin-Katies-Bi-Lo etc. chain), which now picks up 20 per cent of the retail market and contemplates that with seven day trading it will have 23 per cent and continue to grow. It has such a dominance—

The Hon. L.H. Davis interjecting:

The Hon. M.J. ELLIOTT: Not yet—in the area of groceries, in particular vegetables and fruit, that once again supply and demand does not exist in the old sense. These are price setters, which puts the squeeze on the primary producers and eventually leads back to the sorts of problems that our Soil Conservation and Land Care Bill is trying to solve.

Another area of monopoly which has caused concern is the petrol industry. We have had a temporary price war—it comes and goes—but, despite divorcement legislation at a Federal level, the oil companies have managed to pick up an increasing share of the market through their own sites, and they have all the dominant sites. I believe that Shell now sells something like 30 per cent of its own petrol through its own sites in the metropolitan area. The other and most famous example, of course, is the banks, which were deregulated, mergers being encouraged to give us more competition. I put to the Minister a series of questions as follows:

1. What is the Government's attitude generally to the increasing level of monopoly that we are seeing in South Australia and Australia generally?

2. Does the Minister concede that these monopolies are leading to decreased prices to farmers and that that leads to both financial pressure and environmental pressure?

3. Does the Minister also concede that monopolies are leading to changes in industrial practice? With fewer employers in the market, it makes it more difficult for employees to leave one employer for another, because in many cases there is no other, and that leads to a lot of industrial pressures.

4. Does the Minister concede that monopolies, once they have squeezed out everyone else, will lead to increased rather than decreased prices?

5. Does he concede that monopolies are starting to cut into the democratic processes in Australia, particularly with the monopolies in the media or those with media links? Perhaps the current airlines war is the best example of that. No-one is talking about Murdoch's interests—

The PRESIDENT: Order! The time for questions having expired, I call on the business of the day.

ENERGY COSTS

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

That this Council, recognising that competitive energy costs are a key element in attracting and retaining State development—

1. expresses concern that the Bannon Labor Government has failed to properly recognise the economic and environmental problems associated with the development of the Lochiel, Sedan or Bowmans lignite deposits.

2. expresses concern at the implications for the future cost of electricity of the use of Leigh Creek coal for the third unit of the Northern Power Station, and

3. expresses concern at the lack of a publicly available and independently costed long-term plan in South Australia for electricity supply with adequate environmental safeguards and which conforms to internationally recognised and responsible standards.

I have placed this motion on the Notice Paper because, quite clearly, State development in South Australia is an important priority for whichever Government is in power.

Increasingly we have seen in Australia in recent months energy pricing and planning being used as a tool to attract State Development. There have been instances in Queensland, New South Wales and, most recently, in Victoria of State Governments and their Electricity Commissions taking the offensive in trying to attract State development to their respective States through pointing out the efficienct and effective operation of their electricity utilities.

My concern is that State development in South Australia could be short circuited unless a strategy plan for the electricity supply is adopted as a matter of urgency. Electricity generation, productivity, pricing, the next coalfield to be selected to supply the northern power station third unit, the timing of the next new power station, and the retirement of ageing power stations are matters that must be urgently addressed if South Australia is to remain competitive against other States.

It is a fact that, for manufacturing industries, electricity costs are an important component in their overall costs. They can be very high in the case of heavy manufacturing such as alumina smelters or in the case of motor vehicle production. Certainly, it is an average of at least 3 to 5 per cent of total costs and, of course, for these costs that are variable between the States when it comes down to a decision on location, energy pricing can be an important factor. Certainly it is true that South Australia under the Bannon Government has been unable to use electricity pricing as a weapon to attract development to this State.

The IAC preliminary report made public in March this year for the first time exposed the competitive pricing of electricity as between the States and the productivity of the respective electricity utilities in Australia, and it showed a picture which was disadvantageous to South Australia. In the course of the 1980s, South Australia has gone from being one of the cheapest to one of the dearest electricity States. As I have mentioned in a speech in recent weeks in this Chamber, productivity in South Australia lags badly behind the other States with respect to electricity production. Whereas Queensland has slashed the number of workers in its utility by over 40 per cent and New South Wales by over 25 per cent, it is only recently that the Electricity Trust, under new management, has admitted to something which I raised last year, namely, that there has been a lot of feather-bedding in respect to employment in the Electricity Trust in South Australia.

So this motion seeks to address this most important of issues, and it is timely to debate it in the shadow of a State election. It is worth remembering that the Minister of Mines and Energy has mentioned that an energy plan will be made public later in the year, and I hope that the Minister will present that energy plan in the next few weeks so it can be a matter of public debate and examination in the weeks leading up to the all important State election.

It is timely also to debate this motion for another reason, because South Australia has long been regarded as a State where the tyranny of distance has been something of a disadvantage. We are not only out of the mainstream geographically, but also we have but 8.6 per cent of the nation's population. Naturally, manufacturing and service industries are attracted to the more populous regions of Sydney and Melbourne, which between them provide a springboard to a marketplace of about 8 million people—about half Australia's population.

With the sharply escalating prices of housing in Sydney, in particular, and also Melbourne, and with the rapidly escalating cost of setting up business in both those States, we may well see in Australia in the next few years the phenomenom that has occurred in America, namely, the transfer from the well-established regions of the eastern seaboard in America—the so-called snow-belt regions—to the sun-belt States, the western and southern areas of America. There has been a dramatic shift in goods and service industries in America, and I believe that South Australia is well placed also to be the beneficiary of a movement of people and businesses from the more expensive, more populated eastern seaboard of Australia. Indeed, there is already evidence from interstate migration figures that this is starting to occur. I have argued on more than one occasion that quality of life is also an important determinant in establishing business and relocating industry, and South Australia has much to offer in that respect.

If we do not get our planning right in the all important area of energy, and if we are not competitive in the pricing of our energy, we could falter, because there is no doubt that Queensland has gone on the attack in this area. It has been very vociferous in pursuing state development through energy pricing, and there have been several well-placed articles in prestigious national magazines and news papers, where the Queensland Electricity Commission has made much of its five-year marketing plan and its commitment to reducing tariffs in very real terms.

This determined plan has been matched by New South Wales, where there is, as a legislative requirement, a strategic plan to meet customer demands, and the last of those plans, which is a weighty document published in June 1989, is quite magnificent. It is rare to see such an outward-looking document from a statutory authority. Indeed, the long-term strategic plan for electricity production and supply in New South Wales focuses on the next 30 years, with the emphasis on the decade ahead. The strategic plan examines the available options for the continuation of a reliable and economic power supply for that State. The points examined in the plan, amongst many issues, are generating methods, site reservation procedures, the environment, new technologies, and future demands. In fact, the plan is publicised. People are invited to purchase copies of the plan at a very reasonable price and, in fact, public participation is welcomed in the drawing up of the plan. Everything is on the table with respect to electricity in New South Wales.

Recently, in Victoria there have been moves to match Queensland and New South Wales, but sadly in South Australia that is not the case. Last year an energy demand forecast was produced for the decade ahead, 1986 to 1996. That was the first published for a decade. It was a very modest document.

There has been much controversy in South Australia about the level of demand for electricity in future years, and certainly one expects that in this environmentally conscious world in which we now live emphasis will be put on efficiency and effectiveness in the production and in the use of energy, much more than has been the case in the past.

However, certainly people in both the public and private sectors to whom I have spoken have been concerned about the fact that the State Government believes that the demand for electricity in South Australia will grow at no more than 2½ per cent compound per annum over the next 15 years. Indeed, that figure was highlighted in the Electricity Trust report, which was tabled in this Parliament only in the past few days. Page 23 of that report states that the outlook for the future electricity sales remains relatively unchanged from last year, with only a slight upward revision to about 2½ per cent per annum for the forecast average growth rate in megawatt hours sold over the next 15 years. Summer peak demand in megawatts is expected to grow slightly faster than annual electricity sales.

Let us actually look at the situation as revealed in the 10-year statistical summary at the end of the Electricity Trust's annual report. The fact is that in the period 1985 to 1989 the summer peak demand grew at 5.1 per cent per annum compound, and over the period 1980 to 1989 (the decade of the eighties) the summer peak demand grew at 3.6 per cent per annum compound, which is well in advance of the forecast for the next 15 years.

I put it to members that, given the burgeoning manufacturing base in South Australia—much of which was set in place by the initiatives of the Tonkin Government (and I refer notably to Roxby Downs, Technology Park and the spillover effects which have enabled us to win such valuable additional new business such as the submarine project and the frigate contract, together with other developments of recent years), it is certain that commercial and industrial demand for electricity will continue to grow at a rapid pace. Indeed, the annual growth in electricity for the year to 30 June 1989 indicated an increase in electricity consumption of 4.8 per cent. I am told by reliable observers that we can expect this year an increase in electricity demand—of course, we are talking principally about the peak demand, because that is what we have to provide for—of at least 4 per cent and, more likely, 4½ per cent. So, increases in recent years have been double the forecast by the Electricity Trust for the next 15 years. It is enough to make one query the accuracy of the forecast, given that we accept quite readily that forecasting is always a tricky business.

However, the fact is that if that 4 per cent rather than 2½ per cent increase is sustained I estimate that we will have a shortfall of some 500 to 600 megawatts by 1998. The Electricity Trust already admits on page 12 of its annual report that its reserve plant margin is down to the lowest level in living memory. It admits that in March this year a new system peak load of 1 880 megawatts had occurred, and that the total input into the system in store capacity is only 2 380 megawatts. In other words, the reserve plant margin of the Electricity Trust is down to 27 per cent. Authorities in the public and private sectors would argue that is lower than it should be—that is, closer to 35 or 45 per cent.

I believe it is in the public interest to raise this important matter. Certainly, the Electricity Trust and, more importantly, the State Government, which has the authority over the trust and the responsibility for planning State development in the years ahead, are looking at only a 10 to 15-year planning period; and that is at variance with world energy planning practice. I understand there are internal planning documents in the Electricity Trust which show that what I say is correct: that additional coal fired capacity is required in addition to the Northern Power Station before the turn of the century, and again is at variance with the published data.

It is important that we take the long-term view and ensure that we do make our forecasting as correct as possible. I accept that the interconnection with Victoria and New South Wales will bring additional energy options into South Australia. However, we cannot rely on the interconnection for our base load or peak load. It is available only as opportunity energy. It provides flexibility, but it is no certainty.

As recently as last week, there were still threats of industrial action in Victoria. So, at the time when we most might need it (say, in the summer peak time demand in March), if an industrial dispute occurs in Victoria the interconnection will be of no use. If a peak demand occurs in South Australia on a weekend, that opportunity energy may well not be available. There is no guarantee about the price of the interconnection.

Of course, another point which must be borne in mind is the possible effect on the cost of buying power from Victoria if carbon dioxide emissions from coal powered stations must be reduced by legislative requirement following international sanctions on CO_2 emissions into the atmosphere which, of course, add to the greenhouse effect. After all, 90 per cent of Victorian power station fuel is high moisture, low grade brown coal.

I do not want to say anything about the blackout on Sunday night, but we can see that it did not take much to black out one-third of the Electricity Trust's customers from 20 minutes to 2½ hours. I was in the middle of watching *Wall Street*, and there may have been something symbolic about 30 minutes of *Wall Street* being blacked out. Of course, there had been rather a black day on Wall Street preceding the blackout. One unit at Torrens Island which provides 300 megawatts of power was down, and as a result of this problem the blackout occurred. I understand that it was still not back in service on Monday morning. Of course, October is not a peak demand period compared with March, when the reserve plant margin was down to only 27 per cent.

The point I wish to make and which is developed in the third paragraph of the motion before the Council is that, unlike the Electricity Commission of New South Wales (Elcom), there is no requirement by the Electricity Trust or the Government to make available an independently costed long-term plan for electricity supply which has adequate environmental safeguards and which conforms to internationally recognised and responsible standards.

The Electricity Commission of New South Wales plan, to which I have already referred, is based on the World Bank model with emphasis on reducing costs, improving productivity, significant tariff reductions, possible privatisation and environmental matters. This is a strategy for the development of the State's manufacturing, commercial and technological base. The Electricity Trust and the South Australian Government simply have no comparable plan. Similarly, as I have already mentioned, the Queensland Electricity Commission also has a five year marketing plan. Both States obviously recognise the need for planning and for identifying and balancing the competing interests. The March IAC report stated that, by international standards, Australia had an inefficient electricity industry and that its generating costs and employment levels were too high. The IAC is an independent body, of which we should take notice.

That brings me to the first paragraph of the motion: that this Council expresses concern that the Bannon Government has failed to properly recognise the economic and environmental problems associated with the development of the Lochiel, Sedan or Bowmans lignite deposits. I go back to 1984, when the Future Energy Action Committee (known by the acronymn FEAC) examined the location of a coal field for the next major South Australia power station. The selection process required FEAC to choose coalfields which had coals which lay comfortably within current pulverised coal combustion practice. It was made clear that FEAC wished to look at a coalfield for the next major power station which lay comfortably within current pulverizing coal combustion practice, in other words, coal that could be readily used commercially. That was clear from the terms of reference of the FEAC committee.

As a result of FEAC's inquiry, in mid-1985, two local coal deposits were selected for further detailed evaluation, at Lochiel and Sedan. The Electricity Trust was the licence holder of the Lochiel deposit and CSR at that time owned the Sedan deposit, which has subsequently been acquired by Shell Australia. In the five years that have followed, over

$25 million has been spent on investigating Lochiel, Sedan and also the Bowmans deposit as a coal source for a new power station to early in the next century. However, no evidence has been published about environmental considerations. That is in sharp contrast with Elcom, which conducts environmental audits of its power stations and seeks to be a model corporate citizen by looking at environmental matters from the very start. New South Wales, in sharp contrast to South Australia, has good quality low sulphur coal but nevertheless has given priority to sulphur pollution.

What strikes me as most amazing of all is that in the past 12 months, as we focused increasingly on the selection of a site for the next power station that we may well need earlier than has been publicly admitted, no mention has been made of environmental problems. I would suggest that the Minister of Mines and Energy (Hon. John Klunder) has actually misrepresented the situation before the budget Estimates Committees. He has actually misled the Estimates Committee and the public of South Australia because, on page 479 of the report of Estimates Committee A of 21 September 1989, he says:

> Evaluation of these low grade coal deposits [at Lochiel and Sedan] included technical and economic assessment, and estimation of electricity costs from a 500 MW pulverised fuel power station at nominated mine-site locations. Coal reserves are more than sufficient to meet fuel requirements of such a station. The main conclusions of the study are:
>
> Lochiel and Sedan coalfields are both viable alternative sources of fuel for a mine-site, pulverised fuel, 500 MW power station.
>
> Lochiel provides the lowest cost option.
>
> No significant environment impacts were identified with either project.

He underlines that point. I find it amazing that no mention has been made of that fact.

Let us examine and develop that point, because the significant environmental problems and the economic reality of Lochiel and Sedan as serious coal options seem to have been ignored by the Labor Government. I find it amazing that the Minister, last Friday can open a Greenhouse Resource Centre within the Energy Information Centre on North Terrace, but make no mention whatsoever of the very real environmental problems at Lochiel. Let us not beat around the bush. Let us examine Lochiel and find out what we have with this coal deposit.

Lochiel has high sulphur, high chlorine, dirty, polluting coal of very low grade. It is of low calorific value. It is said to be the desired option. The options of controlling the environmental problems out of Lochiel are twofold: first, one can put up a flue, the argument being that that flue would have to be 300 metres high, as high as the Eiffel Tower or Centre Point. That technology was discredited years ago as a responsible way of disposing of sulphurus emissions. It would not be allowed in most developed countries. But the regulations available in South Australia at the moment permit a flue.

The other option to control pullutants is flue gas desulphurisation, but the Minister has not, in any public statement, made any mention or admission about this option. Why not? It would add considerably to the cost of establishing and running the power station. The fact is that flue gas desulphurisation would add up to 30 per cent of the capital cost of the power station and that in turn would aggravate CO2 emissions and would add at least 15 to 20 per cent to the sent-out cost of electricity. This is a remarkable situation, where in the Estimates Committee the Minister was quite unable to give a ballpark figure of the cost of the Lochiel power station and made no mention of how much additional money would be required to counter the environmental problems.

Has the cost of controlling the environmental problems been worked into the calculations for the proposed Lochiel power station which would be feeding off the Lochiel coal deposit? On page 479 of the Estimates Committee, the Minister admits that the Lochiel coal deposit is not commercial. That, in itself, is a remarkable admission. On page 479, he says:

> Indeed, much of the technology necessary for the building and operating of such a station has not been refined to the point of commerciality yet. That is why I was reluctant to give the cost of a power station to be built using a technology which has not yet settled down and is not commercial.

Yet, the very requirement which was put on FEAC in selecting coal sites in 1984 was that they should be within the realms of commercial practice. Within five years, after a lot of testing and money, we are still not able to say that coal can be developed commercially out of a Lochiel-fed power station.

The Minister, at page 477 of the Estimates Committee, submitted that the Government is exploring ways of reducing CO2 emissions associated with electricity production, but again there is no mention of that being costed into the Lochiel proposal. The fact is that, if we develop either Lochiel or Sedan, those coal deposits will contribute proportionately more CO2 than any other coalfield in Australia. My information is that the Minister misled the Committee when, at page 479 of the Estimates Committee, he said that boilers could be designed to take Lochiel coal because flame stability tests have shown that the flame is not stable for normal direct firing techniques and that stable combustion could not be achieved without supplementary oil firing.

There will be enormous environmental problems with Lochiel if we put up a 300 metre stack, which is the old-fashioned technique, with which the Electricity Trust is still entranced. It will merely transfer the pollutant elsewhere. The sulphur and the chlorine will be very damaging to adjacent crops and yields and, in terms of pollution, to the adjacent Clare Valley, the Barossa Valley and Adelaide. Sulphur forms sulphuric acid and oxides of sulphur, all of which are deleterious to crop yields. The chlorine will form hydrochloric acid, and the combination of sulphur and chlorine is deadly. The Government has not provided for treating these emissions with internationally accepted standards in the costing of Lochiel. In addition, the quality of the coal is so bad that there will be enormous corrosion and erosion problems in constructing and operating Lochiel. That will not be solved by using exotic and expensive construction materials, and that defect will reduce the plant's economic capacity and life to no more than 25 years.

The Minister will be hard pressed to get any boiler manufacturer to give a cost or performance guarantee for using Lochiel coal and construction, because the operating and corrosion problems for Lochiel have not yet attracted a commercial solution five years after FEAC preferred Lochiel and Sedan as the coal deposits to be developed for the next coal-fired power station. Any coal deposit with the level of sulphur which Lochiel has requires flue gas desulphurisation. The Department of Mines and Energy has admitted that the level of sulphur at Lochiel is 3 per cent and at Sedan 6 per cent, which is well over the requirement for flue gas desulphurisation. The Minister misled the House by saying that there are no environmental problems when in fact the problems are massive. Because of the low calorific value of Lochiel, we will need 2½ times the coal tonnage from Lochiel than from perhaps a better quality coal, such as the coal that is available from the Arckaringa Basin.

The Electricity Trust, at page 26 of its annual report, has a section on environmental issues. I say publicly, once again, that I am pleased to see that, after six dark years in the

Electricity Trust, there is light at the end of the tunnel. The new management and board have noticeably taken a new direction. They have a more enlightened approach. That is reflected in the quality of the annual report which, in my view, discloses much more than has ever been disclosed before. Nevertheless, I am disappointed that, whilst they have admitted on page 26 that there is an important greenhouse effect which requires a response to limit the magnitude of the greenhouse problem, there is no real candour on the part of the Electricity Trust to address the issue with respect to Lochiel. However, I am pleased that at least the Electricity Trust acknowledges the greenhouse problem.

To give an example of the response and the candour of another State which does not have a dissimilar problem, I refer to the *Financial Review* of 12 October. An article by James Kirby, headed 'Power body behind on emissions', states:

> The State Electricity Commission of Victoria is racing against time to match international standards set by the International Committee for Coal Research meeting in Sydney this week, an in-house report has shown. The report shows it could take up to 10 years to combat the enormous damage the commission's brown coal stations are doing to the environment. The commission, the largest producer of carbon-dioxide in Victoria, has publicly committed itself to reducing its contribution to the greenhouse effect through a 30 per cent reduction in carbon-dioxide emissions over the next two decades. Figures announced at the coal conference show that several major coal producing countries will have the technology for improved coal efficiency ready by 1991, but under the plans outlined in the report the new technology would not be implemented in Victoria until 1992 and possibly as late as 1999.

The SEC of Victoria recognises the real problems of brown coal stations which, when implemented, will add to the cost of interconnection energy—the opportunity energy—which we receive from the recent link which has been completed with Victoria.

Again, the head-in-the-sand approach which characterises this Government's attitude towards future energy options is set out in the program description for the Department of Mines and Energy in the Program Estimates at page 484, where it still talks about possible coal gasification. In column one it says:

> Deposits of coal are being assessed for establishment of a coal fired electricity generating station and possible coal gasification.

This is just pure fiction. Someone somewhere in the Government is running away into fantasyland if they seriously believe that this should be an option for 1989-90. The fact is that enormous money has been spent on Bowmans and Lochiel to look at gasification. I understand that the test facility which was used to establish whether Bowmans was a suitable site for gasification was blocked. I challenge the Minister to release the report in relation to the gasification test with Bowmans coal. Yet, the Office of Energy Planning is still looking at coal gasification at Bowmans and Lochiel but, as I have said, it is economically and environmentally very suspect.

On page 478 of the Estimates Committee transcript the Minister, Mr Klunder, in response to a question about Bowmans, says:

> The technology is not commercially available—

that is, for gasification of Bowmans—

> in the sense that there are a number of plants operating on a commercial basis interstate where we could go ahead with such a plant without any significant risk. Therefore, it is not appropriate for South Australia to be a leader in a project which will cost $1 billion. That is basically where the program is at present.

Yet, given the enormous cost and the economic and environmental problems which I have outlined, it is still on the official agenda to be looked at seriously. I find that quite laughable. So, I express concern that this Government is misleading the public in beating up Lochiel as the next option, quite ignoring the very real economic and environmental problems associated with Lochiel and, as I mentioned, Sedan and Bowmans.

I now turn to Leigh Creek, which has certainly been a saviour to South Australia in many ways. I pay a tribute to the resourcefulness of the people who have made Leigh Creek possible, notwithstanding it has low quality coal and the physical difficulties of extracting that coal. The fact is that for every 1 tonne of coal despatched out of Leigh Creek overburden of 7 to 8 tonnes is removed. That situation is unlikely to be improved dramatically. However, if one examines the Electricity Trust accounts one sees that it is difficult to ascertain exactly what is the current cost of producing coal from Leigh Creek. Notwithstanding that it is costing $4 to $5 a tonne to remove overburden of mining in Leigh Creek in 1988-89, this cost has been capitalised in the accounts. Now we have a figure of $64 million sitting as a deferred asset in the 1988-89 accounts, double the figure of $32 million in 1983-84. I really do query the appropriateness of this accounting practice. It is a very doubtful accounting practice because I simply do not believe the Electricity Trust can recover this cost over the next 35 years. It can only be capitalising this operating cost on the assumption that it can recover the cost later, so this accounting practice must be questioned.

It is quite different if a new coal mine is being opened, but that is not happening. So, again, it would be nice to have some frankness about the cost of Leigh Creek coal. It has been admitted that the cost per tonne is increasing by at least 16 per cent per annum, which is at least double the inflation rate. It has also been admitted that it cost $34 a tonne to mine in 1987 compared with only $12 a tonne in 1980. I would like to know how much it is currently costing to mine and what are the projections for future costs. It is critical to examine this matter, because Leigh Creek has been cited as the preferred option to fuel the third stage of the northern power station.

It has been taken for granted by this Government that the northern power station to be established by 1996 will be fuelled by Leigh Creek. I would argue that proposition should be re-examined quite seriously because the increasing costs of Leigh Creek and the economic and environmental problems associated with Lochiel require an assessment of other options which are available to the Government—options which have not been examined.

In the dark years of the Electricity Trust from early 1983 to 1988 the Electricity Trust more or less turned the light out on anything which it did not own. They were very covetous of Lochiel and Bowmans and lavished millions of dollars trying to prove up what we are now discovering are economically and environmentally unacceptable deposits. In history that will be found to be proven true. It has studiously ignored any reference to the option that lies 600 kilometres to the north of Port Augusta. I refer to the Arckaringa coalfields; where there are millions of tonnes and hundreds of years of reserves of low polluting, high quality coal which are adjacent to the Alice Springs railway line. People say that that is a long way away, but we are bringing electricity, via the interconnection, from the La Trobe Valley, which is much further away than the Arckaringa Basin. We are also bringing gas from Moomba. So, I really do not believe that the distance is necessarily an impediment.

My studies lead me to conclude that Arckaringa deserves serious consideration as an option for a future power station and also, might I add, to supply northern power station 3. I also raise this in the sense that, if I am right in my observation that electricity demand will increase at a faster

rate than projected by the Electricity Trust and the Government, namely 2.5 per cent, we will need a new base load power station before the turn of the century. Yet, the Office of Energy Planning says that no new base load station will be required until 2004. They are planning the retirement of Playford and Torrens A units (and there are six units of 120 megawatts each) between the years 2000 and 2005. Clearly, significant replacement costs are involved in that project as well as in the establishment of a new power station.

I would argue that South Australia, notwithstanding that there is in office here a Labor Government which has a fetish against privatisation, commercialisation—call it what you will—should recognise that in Queensland, New South Wales and Western Australia there have been moves to establish private power stations. They can be run efficiently and effectively by the private sector, and they give Government breathing space in the sense that it relieves them of financing obligations. However, this Government has not done anything about it.

Finally, I ask the Minister of Mines and Energy the following questions:

1. Has flue gas desulphurisation been costed into the evaluation of the sent-out cost of electricity from a Lochiel pulverised fuel power station? If not, why not? If so, what are the results? What is the levellised sent-out electricity cost in cents per kilowatt hour estimated with or without flue gas desulphurisation for a 500 and 1 000 megawatt station over a 30-year period?

2. What method of desulphurisation would be required for Lochiel coal if it were used to fuel a new 500 megawatt power station in Europe, USA or Japan?

3. What is the sulphur content of Lochiel and Wintinna coals in kilograms per megajoule of lower heating value for fuel input and for electricity net output in kilograms per kilowatt hour?

4. What is the sodium in ash content of Leigh Creek, Lochiel and Wintinna coals?

5. What is the chlorine content of Leigh Creek, Lochiel and Wintinna coals in kilograms per megajoule of lower heating value for fuel input and electricity net output in kilograms per kilowatt hour?

6. How many tonnes of Lochiel coal at 60 per cent moisture content are required to produce the same amount of net sent-out electricity kilowatt hours as one tonne of Arckaringa coal at 35 per cent, 31 per cent or 18 per cent moisture?

7. If a tall stack is planned to be used for Lochiel power station emissions, does not the published scientific evidence show that this merely moves the acidic pollution somewhere else—for example, the Barossa Valley, the Clare Valley or Adelaide.

8. What would such pollution (sulphuric/sulphurous acid and hydrochlorine acid) do to the wine industry, barley industry, wheat, tourism, fruit trees and air pollution in Adelaide and in the Clare Valley?

9. What moneys have been spent by the Electicity Trust, Federal or State Governments or from other sources since 1982 in evaluating Lochiel, Sedan and Bowmans?

10. Can Lochiel coal be exported overseas?

11. Is Lochiel coal cheap enough to export electric power to Victoria or New South Wales?

12. Is the Lochiel coal deposit located underneath or near a salt lake?

13. Why will the Government not make public the costing of Lochiel/Sedan power stations from the most recent study or from the 1984-85 FEAC inquiry, given that Elcom in New South Wales is very open in all details such as this?

With respect to Leigh Creek I ask the following questions:

1. Given the very high mining/stripping ratio and the fact that Leigh Creek coal seams dip sharply (up to 20 degrees), will the mining/stripping ratio further increase? If not, is the Electricity Trust planning to mine underground?

2. Has an independent expert body ever been permitted to review the total delivered osts and quality of Leigh Creek coal as mined and delivered at the Northern Power Station?

My final questions are general, as follows:

1. Will the Electricity Trust publish the total breakup costs for each fuel and power station as Elcom in New South Wales is now required to do by law, with particular focus on future options?

2. If electricity demand in South Australia were to grow at 4 per cent per annum over the next 15 years (and not 2.5 per cent as projected by the Electricity Trust), how much new power station capacity in South Australia would be required, given safe reserve plant margins of 35 per cent to 40 per cent? When would this new coal fired unit be required?

Finally, in relation to the environment, as the honourable Minister has claimed that no significant enviromental impact was identified with either Lochiel or Sedan, will he release the information on which that statement was based and all other evidence relating to environmental issues with respect to those two deposits?

I have raised a number of issues on what is a very serious and important subject for South Australia, a subject which has a great deal of bearing on South Australia's economy through to the next century. I commend the motion to the Council, because I believe it is worthy of support.

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

LOCAL GOVERNMENT ADVISORY COMMISSION

The Hon. T. CROTHERS: I move:

That this Council reaffirms its support for the independence of the Local Government Advisory Commission.

I have moved this motion primarily to reassert my belief—and, I hope, that of Parliament—that the Local Government Advisory Commission should conduct its affairs free from political interference. The current role of the Local Government Advisory Commission was defined in the Local Government Act Amendment Act (No. 3) (1984) which expanded the size of the commission and redefined its powers.

Under section 20 of that Act, the commission consists of a District Court judge, a member or former member of a council nominated by the Local Government Association, a person nominated by the United Trades and Labour Council of South Australia, a person experienced in local government (nominated by the Minister), and a person holding office in the Minister's department. The Act also provides that a quorum of the commission is three, and that a decision by three members becomes a decision of the commission. I mention this because in the case of the recent City of Flinders experience the commission was made up of three members.

The composition of the commission is aimed at having a group of people thereon with some experience and expertise in local government matters. A commission without such expertise and experience would, in my view, be unworkable. In the case of the decision to establish the City of Flinders, the commission was heavily criticised for its final recommendation both outside Parliament (by residents affected) and inside Parliament (by the Liberal Party). Criticism of the commission's decision is, in my view, fair

enough. Criticism of the Government's handling of the matter is to be expected—although not necessarily correct. But, vicious personal attacks and slurs against individual members of the commission are absolutely outrageous.

The most disturbing aspect of this whole matter has been the way in which the independence and integrity of the commission, both collectively and as individual members, has been brought into question inside this Parliament. I will cite a couple of examples to indicate how the independence and integrity of the commission has been questioned inside this Parliament by the Liberal Opposition. Both quotes come from a speech made by the Liberal member for Mitcham in another place on 24 August. He stated:

> The commission was totally inept in the way in which it drew its conclusions.

He further stated:

> The result in Mitcham was predetemined prior to the results being known.

These slurs upon the commission and its independence are not less than appalling. What is more appalling is the depth to which the Liberal Opposition has gone in trying to ridicule individual members of the commission—people who were only fulfilling their tasks as laid down by this Parliament. Not content with criticising the commission's ability to make a decision, the Liberal Opposition has embarked upon yet another campaign of lies, lies and more lies, in an attempt to make cheap, sleazy political points.

In my Address in Reply contribution on 10 August this year I spoke at some length on what I saw to be an abuse of the Parliament by the Liberal Opposition in using this Chamber and the other place as a 'coward's castle' in which to attack the credibility, honesty and integrity of individuals, free in the knowledge that the veracity of their attacks cannot be challenged in court. The Liberal Opposition, in my view, in this State has turned this despicable activity into an art form. Not content with besmirching the character of the Hon. Chris Sumner with their whispering campaign of lies, lies and more lies, the Liberal Opposition then started on the Australian Labor Party State Secretary, Mr Terry Cameron, with lies, lies and more lies.

The Hon. M.B. CAMERON: On a point of order, I do not know whether the honourable member has been in this Council for very long, but I suggest that the words that he is using are unparliamentary and not the normal way of referring to members on this side. I ask him to withdraw those remarks. Those words are quite out of order.

The PRESIDENT: I think it is usually taken that the use of the word 'lies' when referring to an individual member is not accepted in the Council, but a reference to people collectively does not seem to have raised the wrath of previous Presidents, as I understand it.

The Hon. T. CROTHERS: I will establish the truth of my statement about lies, Mr President. I have documentary evidence to support that. The Liberal Opposition in this State has turned this despicable activity into an art form. In both cases—that is, the Hon. Mr Sumner and then Mr Terry Cameron—members opposite were challenged to repeat their allegations outside Parliament.

The Hon. M.B. CAMERON: On a point of order, Mr President, I have read the notice of motion, which states:

> That this Council reaffirms its support for the independence of the Local Government Advisory Commission.

I fail to see that the subject the honourable member is now raising has anything to do with that motion. If he wants to raise such matters there is the appropriate forum to do that. I do not think it is proper for him to introduce into a notice of motion of this sort totally different subject matters.

The PRESIDENT: Order! The honourable member is straying from the motion before the Council. I ask him to confine himself to the motion.

The Hon. T. CROTHERS: I accept what you say, Sir.

Members interjecting:

The Hon. ANNE LEVY: On a point of order, Mr President, the Leader of the Opposition has used decidedly unparliamentary language, to which I take strong exception, and I ask that he withdraw.

The PRESIDENT: I never heard it.

The Hon. M.B. CAMERON: Mr President, the Minister was quite wrongly interjecting in the Chamber. I made my point of order. I suggest that the Minister should behave like a Minister but, if she takes exception, I withdraw it. The Minister should behave like a Minister, not a backbencher.

The Hon. ANNE LEVY: Mr President, I ask for an unqualified withdrawal from the honourable member.

The PRESIDENT: I would like to know what words have caused offence.

The Hon. ANNE LEVY: Mr President, I feel no inclination to repeat them so that they are recorded in *Hansard*, but I do ask that the honourable member makes an unqualified withdrawal.

The PRESIDENT: I would ask the Hon. Mr Cameron whether he is prepared to do that.

The Hon. M.B. CAMERON: I have withdrawn the remarks and I am going no further, Sir. I suggest the Minister goes outside for a while.

The Hon. T. CROTHERS: I thank you for your tolerance, Sir. It does not surprise me that the Leader of the Opposition is taking points of order in an attempt to gag me. More recently we have seen the Liberal Opposition attempt to vilify a person whose only crime was his wish to invest money in South Australia. No wonder that Vincent Smith in the *Sunday Mail* of 22 October said that the Liberal Opposition had introduced 'sleaze' into State Parliament.

The Hon. M.B. CAMERON: On a further point of order, Mr President. I can get up and down as much as the honourable member likes, but I would ask you to get him either to stick to the motion or to sit down. Standing Orders are quite clear that, if an honourable member continually strays from the matter before the Council, leave to continue his remarks should be withdrawn.

The PRESIDENT: I have asked the honourable member to confine his remarks and not to stray too far from the motion. I would ask him to try to observe that.

The Hon. T. CROTHERS: Thank you, Mr President. The article said that the attack on the businessman, Mr Burlock, was '. . . a tasteless misuse of the parliamentary process'—

The PRESIDENT: Order! I think the honourable member did not hear me. I said that he should try to confine his remarks to the motion. If he is going to link his remarks to the motion later, I will accept that, but launching into the motion in that way is completely wrong.

The Hon. T. CROTHERS: I take your advice, Sir. The attacks on the Local Government Advisory Commission and its members are part of this pattern of lies, lies and more lies, which is being used by the Liberal Opposition as an alternative to policy. Part of this pattern was the outrageous attack made upon the character of one particular member of the commission, the United Trades and Labor Council nominee, Mr John Dunnery.

Mr Dunnery is the State Secretary of the Australian Workers Union, a union which has coverage for many employees of local councils. Mr Dunnery is both well experienced and well placed to ensure that the concerns and needs of council

employees are considered when the Local Government Advisory Commission makes a recommendation. This fact did not stop the Liberal member for Mitcham from implying in his speech on 24 August 1989 that Mr Dunnery was unfit to hold his position on the commission. In fact he claimed that Mr Dunnery was biased against the council workers employed by Mitcham council, so therefore his input on the commission was somehow biased against the council.

This completely ignores the fact that Mr Dunnery enjoyed, and continues to enjoy, the unanimous support of the AWU Local Government Steering Committee, which passed the following motion at a meeting held on Tuesday 1 August 1989:

> Although this steering committee sympathises with the concerns of Mitcham council members, we believe that the principles expressed in the document tabled provide the best possible protection for AWU members. This steering committee rejects the resolution from the Mitcham council members that Branch Secretary John Dunnery be dismissed from office and further that this steering committee has confidence in John Dunnery to protect the interests of local government members.

As I said, this resolution was passed unanimously. In his disgusting attack, the Liberal member for Mitcham quoted at length from scurrilous material produced by a small group calling itself the AWU Rank and File Committee. The author of much of this material, Mr Jim Doyle, was quoted in Parliament without any attempt being made to check the veracity of the material. In fact, if the Liberal member for Mitcham had checked his material, he would have found that Mr Doyle has had to publish retractions and apologise for the material that he has written.

I wish to quote from a copy of *The Reporter*, a newssheet produced by Mr Doyle for the information of AWU members. It states:

> I refer to the October 1988 issue of *The Reporter*, a publication written and distributed by me and in particular to my remarks concerning Mr John Dunnery. I wish to unreservedly apologise to Mr Dunnery for any statements made by me questioning his integrity and his competence or suggesting he has behaved in a way making him unfit to hold union office.

This is some of the material that the member for Mitcham quoted from. Mr Doyle continues:

> I regret any embarrassment caused to Mr Dunnery and unreservedly withdraw my incorrect statements.

This undated newsletter was signed by Mr Jim Doyle. In another edition of *The Reporter*, this time dated August 1989, Mr Doyle says the following:

> I acknowledge that Mr Dunnery is a fit and proper person to be Branch Secretary and that he conducts himself in all respects in the interests of union membership.

Mr Doyle goes on:

> I regret the embarrassment and hurt caused to Mr Dunnery by my unfair and untrue statements and I have published this edition of *The Reporter* at my own expense in order to bring my apology to the notice of all union members.

Honourable members will note that Mr Doyle says 'untrue statements', yet the member for Mitcham used some of those statements to attack specifically Mr Dunnery and, generally, the Local Government Advisory Commission.

All the disgraceful statements made by the Liberal member for Mitcham in the other place were based on material which has been retracted by the author. In fact, other statements made by Mr Doyle against Mr Dunnery are now the subject of court action, yet the Liberals quote these as evidence of some wrongdoing on the part of Mr Dunnery.

An example of one of these claims made by the Liberal Member for Mitcham was that Mr Dunnery had received a 'gift' of a truckload of 'pavers' to pave around his swimming pool from a source unnamed. That was one case where the member for Mitcham could have personally checked out the veracity of that statement: he did not. So he is either a dupe or he is a very lazy person; he has to be one of the two. In fact, Mr Dunnery has no pavers around his pool, yet this lie is quoted in Parliament and recorded in *Hansard* without Mr Dunnery having any right to set the matter straight. It is no wonder that the Leader of the Opposition wanted to take points of order to silence me. At this stage, I will read a copy of a letter dated 6 October, signed by John Dunnery and addressed to Stephen Baker, care of Parliament House, which thus far has gone on unanswered by the member for Mitcham, for he knows full well that if he answered the letter Mr Dunnery would undoubtedly seek his day in court. It states:

> Mr Baker,
>
> My attention has been drawn by a member of this union to your speech on local government boundary changes made in the House on 24 August. I note that in that speech you make a serious attack on my credibility and honesty. This attack was made under the benefit of parliamentary privilege. It was made in the following circumstances:
>
> *(a)* You at no stage prior to the speech approached me to seek my comments upon the allegations;
>
> *(b)* You at no stage characterised the source of the bulk of the allegations as a political pamphlet of a disaffected minority of members in this union on the left of the political spectrum (far removed I know from your position on that spectrum), who hide their identity behind a non existent so-called rank and file committee.
>
> Having regard to those matters, and indeed to my own strongly held view that the matter raised by you had no relevance to the motion under debate, I regard your attack upon me to be both cowardly and cynical. The allegations and implications raised by you have been canvassed *ad nauseum* within the councils of the AWU. The members of this union have on a number of occasions, through the ballot-box, passed judgment upon them.

I ask members to note the next part of the letter. It states:

> I challenge you to repeat the allegations outside of Parliament. No union secretary can allow such a blatant attack upon unionism, unionists and the role of the trade union leaders within society, and upon specialist fundamental committees and tribunals to pass uncontested. I propose to forward a copy of this letter to:
>
> 1. The Speaker of the House
> 2. The Premier
> 3. The Secretary of the Local Government Advisory Commission
> 4. The Minister of Local Government
> 5. The Leader of the Opposition
>
> I shall allow you seven days within which to repeat the allegations outside the House. If you fail to do so I shall write to each of the persons mentioned above advising them of that fact.
>
> I would like to think that you had the decency to acknowledge that you were used as the willing dupe of persons seeking to advance their own political purposes.
>
> Yours in anticipation,
> John Dunnery,
> Branch Secretary

Mr Dunnery is yet another case of the Liberal Opposition using lies, lies and more lies, all under parliamentary privilege, and yet when challenged to repeat the allegations outside the House, where they can be brought to book, they turn to water. The problem is that the initial allegations gain much coverage in the media, but any subsequent refutation is unlikely to gain any coverage at all. The member for Mitcham should hang his head in shame. In their attempt to make cheap political mileage out of the Local Government Advisory Commission the Liberals have decided to defame Mr Dunnery with material which has been proved to be incorrect—material that the author, Mr Doyle, has been forced to retract. Yet the Liberals continue to go down this sorry path of bringing Parliament and all politicians into disrepute.

I might say that this Chamber was going through a fairly torrid period up until several months ago, and since then I have paid some credit to the Leader of the Opposition in

this place, because very often the members on the Opposition benches have said that the Upper House, in order to justify its existence, is a House of Review, and that is the way in which debates and everything else should proceed in this place. I have no argument with that. In the past four or five months, I have noticed that the personal attacks almost seem to have ceased in this place. I believe this Chamber is a much better place for it. Long may that situation continue; I do pay some credit to the Leader of the Opposition.

I shall conclude my remarks today by reminding this Chamber that the Local Government Advisory Commission is an independent body of people who are charged with the responsibility of making recommendations to government on issues affecting local government. Their decisions are open to criticism. The processes they employ in making those decisions may, or may not be, open to criticism. But surely the individual members of the commission should not be slandered and vilified for the sake of petty political point scoring.

If this Council does not support the independence of the Local Government Advisory Commission, then no private person will ever feel that they can serve the public as a member of a Government commission or authority without becoming involved in cheap and grubby—in fact sleazy—political campaigns orchestrated by the Liberal Opposition. On this occasion I have copies of any material that I have referred to and I am more than willing to show them to any interested member of the Council. I commend the motion to this Chamber, and trust that it gets the support it deserves in what is often termed a 'House of Review'.

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

SELECT COMMITTEE ON ENERGY NEEDS IN SOUTH AUSTRALIA

The Hon. M.S. FELEPPA: I move:

That the time for bringing up the report of the select committee be extended until Wednesday 8 November 1989.

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

To amend the motion by leaving out the words 'Wednesday, 8 November' and inserting in lieu thereof the words 'Wednesday, 25 October'.

I move this motion for a very good reason. I guess one would call it an 'It's time' motion because this select committee has sat for longer than any other select committee in my 18 years in this Council. It has now been operating for three years and seven months, which is a reasonable time to investigate the energy needs of South Australia and come to some conclusion. The person who first moved for the select committee was the Chairman for a long time and, as members would know, he resigned that position in August. I thought that that was probably the appropriate time to end the select committee.

However, along with members on this side of the Chamber, I agreed to the select committee going on for a short time to see whether some conclusions could be reached and a report produced. I am aware that some discussions on conclusions have been made—I am not aware of the conclusions—but, by next Wednesday I trust that it would be appropriate for the Council to introduce a little discipline into this committee in terms of finishing its work and, if not, the Council should look at the matter very seriously. This committee is very long lived and no doubt very valuable. However, in view of the impending onset of the silly season of politics, the Council should have available whatever material has been gathered at some length and over some time.

The Hon. I. GILFILLAN: Just to make sure that we understand the situation, the Hon. Mr Feleppa will be able to speak after me or any other speaker and that will then conclude the debate?

The PRESIDENT: When the Hon. Mr Feleppa speaks that will close the debate. Also, I draw to members' attention that the debate is restricted to the dates in question and that they cannot range into the committee's activities or its reports. Debate is restricted to the motion and the Hon. Mr Cameron's amendment to change the date.

The Hon. I. GILFILLAN: Thank you, Mr President. If you were able to give such precise instructions to other speakers in this place, we would get through our business efficiently and expeditiously. I support the amendment and I do so with some concern that there may well be matters which were in the terms of reference and which will not have adequate time to be satisfactorily concluded by that date. However, I consider that there is a risk with regard to the timetable of this place, because we do not have a set election date every four years, which would have been the Democrats' preferred position. We do have some uncertainty as to how much time is available in which to hand down a report of the committee so, with that in mind, somewhat reluctantly, the Democrats support this amended date.

The Hon. M.B. Cameron: The Liberal Party is also reluctant.

The Hon. I. GILFILLAN: Yes, taken by and large, the debate on the date is being conducted with the best motive, that is, to attempt to get the best, most valuable contribution from the committee into this Parliament so that the public and this Parliament can benefit from it. For that reason and that reason alone, at this stage I do not intend to make any other comments, as you so wisely guided me, Mr President, on the general performance and results of the committee, but indicate that the Democrats support the amendment.

The Hon. M.S. FELEPPA: In speaking against this amendment, I simply want to raise the fact that I am amazed at the reason behind it. We met as a committee on Monday and it was unanimously agreed that we should have at least two more meetings.

The Hon. Barbara Wiese: That was unanimous?

The Hon. M.S. FELEPPA: Yes, unanimous support was indicated to have two more meetings. The last meeting was to be on 6 November. If I am in order, Mr President, to convince members of what I say I would like to read a motion moved by the Hon. Mr Dunn.

The PRESIDENT: You cannot refer to any of the business of the select committee.

The Hon. M.S. FELEPPA: I refer to the proposal of Mr Dunn.

The PRESIDENT: I must call the honourable member to order. He cannot refer in this debate to any of the business of the committee because what the committee does and how it conducts its affairs is the committee's business until such time as it reports to the Council.

The Hon. M.S. FELEPPA: I take your ruling, Mr President, but that proves how genuine I am: that I fall into the traps without exploring their technicalities. I am amazed that the Opposition has moved this amendment instead of proceeding with the two days that the select committeee decided upon for those two meetings. I was given notice of what was to happen by the Hon. Mr Irwin. Now we are to accelerate proceedings and to have a meeting tomorrow,

which I legitimately tried to organise. Then I received an indication by way of this amendment that we should wind up on 25 October. The committee as it was set up is responsible to explore more work to be done. As a matter of fact, we instructed our research officer to come back—

The PRESIDENT: Order! I have to call the honourable member to order. He cannot refer to the business of his committee.

The Hon. M.S. FELEPPA: I therefore conclude that this amendment has surprised me because it is beyond my understanding. We agreed to have two more meetings, but all of a sudden members opposite want to wind it up. The reason is more than cynical, and I want to place that on record.

Amendment carried; motion as amended carried.

AUSTRALIA DAY HOLIDAY

Adjourned debate on motion of Hon. L.H. Davis:

That this Council strongly supports the Australia Day holiday in South Australia being celebrated on 26 January each year.

(Continued from 11 October. Page 1057.)

The Hon. L.H. DAVIS: I thank honourable members for their contributions. I was disappointed that the Hon. Mr Ron Roberts and the Hon. Mr Terry Roberts opposed the motion in the face of irresistible evidence. There is no other nation in the world that does not celebrate its national day on the day. As the National Australia Day Council rightly noted in a recent memo to interested parties, South Australia, along with Victoria and Western Australia, has a mobile national day, which is unacceptable. For Australia to be divided in two, with half the States observing Australia Day on the correct day and the other half observing it on the Monday nearest to Australia Day, is most unfortunate.

I take to task the Hon. Ron Roberts for a remarkable leap in logic when he tried to liken my argument to the argument about Easter. He said:

> There are many people in our community ... who wish to observe the religious significance of Easter, but this is not affected by the fact that Easter is observed on a different date each year.

In making that remark, the Hon. Ron Roberts reveals his ignorance, because Easter is celebrated on the first Sunday after the first full moon after the vernal equinox. That is different from Australia Day, which is celebrated on a fixed day, as are all other national days around the world. That argument by the Hon. Ron Roberts typifies the logic of the Bannon Government which, stripped of national pride, has stuck its head in the sand and continued to persist with the argument that Australia Day should be celebrated on the Monday nearest to 26 January.

I am delighted that, as I mentioned last week, of the 60 per cent of local councils which responded to a Local Government Association poll on this matter, a vote of 12 to 1 was recorded in favour of 26 January as being the appropriate day to celebrate Australia Day. That is even better than the public opinion polls, which show that the community as a whole is 6 to 1 in favour of the issue.

The Labor Party can be likened to King Canute who, eventually, was engulfed by the weight of the water. I suspect that the Labor Party will be engulfed by the weight of the argument.

The next Government (which will be a Liberal Government) has already made it plain that it will celebrate Australia Day on the correct date, 26 January. It is important that we do that, because it will give everyone the opportunity to celebrate Australia Day in the way that they would like to do so, rather than perhaps being at work, which may be the case now, and dividing the nation, as is the case now.

I hope that the Council will pass the motion and recognise the importance of Australia Day: one nation united with pride reflecting on its history and working and moving together to make a better future for all of us.

The Council divided on the motion:

Ayes (10)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis (teller), Peter Dunn, K.T. Griffin, J.C. Irwin, Diana Laidlaw, R.I. Lucas, R.J. Ritson and J.F. Stefani.

Noes (11)—The Hons T. Crothers, M.J. Elliott, M.S. Feleppa, I. Gilfillan, Anne Levy, Carolyn Pickles (teller), R.R. Roberts, T.G. Roberts, C.J. Sumner, G. Weatherill and Barbara Wiese.

Majority of 1 for the Noes.

Motion thus negatived.

CONSTITUTION ACT AMENDMENT BILL (No. 3)

(Second reading debate adjourned on 27 September. Page 913.)

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—'Place and time for holding sessions of Parliament.'

The Hon. K.T. GRIFFIN: I suggest that progress be reported. The matter of fixed terms has been debated on previous occasions. I have a problem with the concept of fixed terms fitting in with the structure we have in our Constitution Act, and I would like to give it further consideration.

The Hon. I. GILFILLAN: I have little sympathy for the Hon. Mr Griffin's request. As the Hon. Mr Griffin said, this matter has been debated on several occasions and members have had plenty of time to think about it. It is a simple Bill, the contents of which have been chewed over. I cannot see any justification at all for reporting progress.

Members have the scope to express their opinions and vote as they wish. It is an evasion of the issue. I am pleased that the Bill has passed the second reading stage and I look forward to discussion in the Committee stage.

Members can comment and move amendments as they desire in the Committee stage, so I urge members to oppose the Hon. Mr Griffin's suggestion. This matter has been before us for an extraordinarily long period and now the honourable member wants to squib out.

The Hon. K.T. GRIFFIN: I do not have any sympathy for the Hon. Mr Gilfillan's observation. It is not a simple matter—it is quite complicated. I did call 'No' when the second reading was put, but there were no others to join with me so that we could have a division. The concept has been debated at constitutional conventions. It did not meet with any sympathy when the concept of four-year terms was introduced. In fact, although the Government on that occasion sought to limit the circumstances in which an early election could be held, the criteria were broadened because I pointed out the difficulty of requiring that elections be held on a fixed date. There is nothing worse in a democratic society than having a Government which is bumbling along, unable to get its legislation through and unable to go to the people.

What is in the current Constitution Act accommodates the difficulty I have with this Bill, but it needs further discussion. The Bill was introduced on 27 September. It has been before us on only two sitting Wednesdays, as I recollect. I would like to further consider the matter. Although

I indicated in the media that I was not particularly sympathetic to it, important issues are involved. In our system, I doubt whether it can work effectively at all. However much as it might be desirable to try to constrain Governments from going to the polls at the most politically propitious time, it has been a fact of our constitutional system for many years that the Government has the right to call an election at a time which it believes is appropriate, when it recommends that to the Governor.

With a fixed term we will need to give consideration to, in a sense, an American-style system where one gives more power to Parliament over the Executive than there is at the present time, and one provides for the problems of elections in circumstances where a Government cannot govern. Even though the Government might have the numbers in the House of Assembly, it may not get its legislation through and then chaos reigns in the community.

An honourable member interjecting:

The Hon. K.T. GRIFFIN: It is not the same as the first three years provided in the present Constitution Act. It is for those reasons—the complexity and my desire to have consultations with a number of my colleagues—that I believe that progress ought to be reported.

The Hon. C.J. SUMNER: It is quite clear now that this Bill passed the second reading stage by default and, in fact, as a result of an error. The fault, I suppose, was in the Council not taking sufficient notice of the question that was before it. The fact of the matter is that everyone's Notice Paper, including mine, indicates that the matter would be further adjourned. I was engaged in another matter at the time the question was put. I assumed that what had been agreed—namely, that the matter would be further adjourned—was occurring.

As it turned out, it was not, and the President put the motion that the Bill be read a second time without any Government or Opposition Party member having spoken to the Bill. That is what happened, but it should not have happened. If any point is to be taken on it now I would move, when we go back into the full Council, that the Standing Orders be so far suspended as to enable the motion to be recommitted. However, if people are accepting that it has been passed in error and, in effect, by default, nothing hangs on it.

If the Democrats are not going to accept it on that basis, and clearly there is not at this time majority support in the Council for their Bill, I think that the cleanest way is to attempt to recommit the motion. Frankly, I think that ought to be done: it should be recommitted and then adjourned in the proper way, as my Notice Paper said was going to happen in any event.

Progress reported; Committee to sit again.

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

That Standing Orders be so far suspended as to enable me to move that all proceedings subsequent to the motion 'That this Bill be now read a second time' be declared null and void.

Motion carried.

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

That all proceedings subject to the motion 'That this Bill be now read a second time' be declared null and void.

Motion carried.

The PRESIDENT: I should say from the Chair that I called three times on this Bill. Even though my Notice Paper indicated that it was to be further adjourned, I had no option but to carry out the Standing Orders of the Council and put the second reading.

The Hon. CAROLYN PICKLES secured the adjournment of the debate.

URANIUM MINING HEALTH RISKS SELECT COMMITTEE

Adjourned debate on motion of Hon. I. Gilfillan:

1. That a select committee of the Legislative Council be established to examine the evidence on the health risks of uranium mining, milling and processing, the adequacy of exposure standards in the Roxby Downs Indenture Ratification Act, and the need for any further action in relation to the Indenture.

2. That the committee consist of six members and that the quorum of members necessary to be present at all meetings of the committee be fixed at four members and that Standing Order No. 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.

3. That this Council permit the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence presented to the committee prior to such evidence being reported to the Council.

(Continued from 23 August. Page 516).

The Hon. J.C. BURDETT: I cannot support this motion. I recognise the concern of the Hon. Ian Gilfillan for the safety of workers at Roxby Downs, and I share those concerns. But, I am not satisfied that there is any need or would be any utility in a select committee on the subject at this time. The Hon. Mr Gilfillan said in his speech that he was really, in this case, a servant of the Labor Party. That does not in itself endear the motion to me in any event, but the Hon. Mr Gilfillan was not acting as a servant of the Labor Party. The Hon. Ron Roberts, in his contribution to this debate, gave the Hon. Ian Gilfillan an object lesson in meeting procedure. In fact, the resolution of the Labor Party conference in its final form did not say what the Hon. Mr Gilfillan represented it as saying, but it said:

The State Government examine the evidence on the health risks of uranium mining, milling and processing, the adequacy of exposure standards in the Roxby Downs Indenture Ratification Act, and the need for any further attention in relation to the indenture.

This is the sort of action which is needed. Another select committee after the Legislative Council select committee report tabled on 11 November 1981 and the House of Assembly select committee on the indenture Bill is not necessary, appropriate or warranted. I am mindful of the comments of the Hon. Ian Gilfillan that the state of scientific knowledge changes, but I think that a Government inquiry would cope with this. The authorities quoted by the Hon. Mr Gilfillan by no means represent the whole or even the majority of scientific comment. A whole gamut of opinion on acceptable levels of radiation is apparent. One can quote a scientist with impressive credentials on almost any proposition in this area. The levels of radiation set in South Australia are extremely conservative. The majority report tabled in 1981 said at page 44:

Potential harmful ionising radiation emanates from many natural sources, e.g., the sun and outer space (that is, cosmic radiation), rocks, soil, food, water and our bodies. It also comes from man-made sources such as X-ray machines, cancer therapy equipment, TV sets, luminous watch dials and radioisotopes used in industry and medicine. Radiation is used in the sterilisation of food, seeds and surgical and pharmaceutical products. Such treatment does not cause any of such items to become radioactive. Radiation is also released from the coal and nuclear fuel cycles.

The biggest exposures for the average person come from rocks, soil, building material and medical X-rays. The average Australian (excluding workers in the nuclear industry) receives about 150 millirem of exposure per year from all these sources. Jet aircraft travel enhances the exposure to cosmic radiation. Air hostesses in Australia receive up to an estimated 670 millirem per year from their hours in the air. Pilots average about 450 millirem per year because they had fewer working hours.

I query whether they are flying at all or have any exposure to cosmic radiation. The report continues:

As a group these people receive more occupational exposure than any other group in Australia including the workers on the

nuclear reactors at Lucas Heights (south of Sydney), who average 200 millirem per year.

Evidence given to the committee indicates that there are higher levels of radiation in Parliament House because of the granite rocks than there are in a uranium mine. The Hon. Mr Gilfillan has had his forum, but the motion is ill conceived, particularly in regard to the Labor Party conference resolution, and it is unnecessary and would even be an impediment to a proper assessment of the situation. I oppose the motion.

The Hon. CAROLYN PICKLES secured the adjournment of the debate.

CONSTITUTION ACT AMENDMENT BILL

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Matters to be taken into account.'

The Hon. C.J. SUMNER: I oppose the clause, which deals with the insertion into the criteria that the Electoral Boundaries Commission should have regard to the question of so-called political considerations of voting patterns which I examined in detail in the second reading contribution on this Bill. I do not think there is a great deal more that I can say. Suffice to say that inclusion of such political criteria in determining electoral boundaries is in theory undesirable. But, even if honourable members do not agree with me on that, it is in practice unachievable, in the sense that the Electoral Boundaries Commission would be required to examine political issues that might influence a Party's vote at a subsequent election.

The Electoral Boundaries Commission has considered this question on two separate occasions, as I outlined in my second reading reply, and has rejected consideration of these factors on both occasions. The commission, particularly in its 1976 report, gave detailed and compelling reasons for the conclusion, which they dealt with at large: it did not deal just with the issue as a matter of interpretation of the legislation.

It dealt with the question of the political considerations or voting patterns being taken into account as a matter of principle. It dealt with the issue in theory. It was not just dismissing it on the grounds of statutory interpretation, namely, that there was no mandate in the legislation to give effect to the voting patterns as a consideration in determining electoral boundaries.

Members should look at the 1976 report of the commission, which was chaired by former Justice Bright, who is accorded considerable respect in this area. Following his death, the current Electoral Boundaries Commission named after him a House of Assembly seat in recognition of his services as chair of the commission. The Electoral Boundaries Commission chaired by Mr Justice Bright, as he then was, made certain comments (and I summarise them) as compelling reasons for concluding that voting patterns or political considerations ought not to be considered.

First, the commission found that only by having the State constituted as a single electorate can one assume that the Party with the majority of votes will have the majority of seats. Secondly, the commission considered it should concentrate on communities of interest and let voting patterns follow. Thirdly, there is no reliable method of forecasting how people will vote; that is, electors are not merely ciphers. Fourthly, it is impossible to assess the weight of local or idiosyncratic factors in determining electors' opinions. Fifthly, political science is not sufficiently precise to enable voting patterns to be evaluated. Finally, the commission considered that attention to voting patterns would distract the commission from the proper exercise of its functions.

That last consideration could be considered as a comment on the statutory responsibilities. However, the other arguments against taking into account political considerations are all valid at large. In my second reading explanation, I indicated the practical problems. Parties would be calling expert evidence about factors that might affect the future election. There would have to be some assessment of the personal votes achieved by some members and what effect that might have on a future election. It would embroil the commission in the political process. It would have to consider political factors in determining what a particular voting pattern might be at a subsequent election.

For all these reasons, which I think are compelling and which are fully outlined already, I move my amendment. I merely repeat that the claims by the Liberal Party that the existing boundaries disadvantage it is a political statement that has no basis in fact.

The Hon. K.T. Griffin: In Queensland—

The Hon. C.J. SUMNER: They are arguing it because clearly the boundaries have been rigged.

The Hon. J.C. Burdett: As they are here.

The Hon. C.J. SUMNER: They are not rigged here, and for the honourable member to suggest that is ludicrous.

The Hon. J.C. Burdett interjecting:

The Hon. C.J. SUMNER: That is what you say. That is disputed and it cannot be calculated in any event. The fact of the matter is that, in every election since we have had fair boundaries determined by an independent tribunal, the Party with the majority of votes has obtained the majority of seats and won Government. That is the historical fact that has occurred since 1975.

It did not occur when there was a gerrymandered system of electoral boundaries in this State through the 1940s, 1950s and 1960s. The system was introduced to be fair and independent. The fact of the matter is that in Queensland it is not an independent system. Members opposite should stop drawing comparisons between Queensland and South Australia. The comparison is totally invalid.

The Hon. K.T. Griffin: The argument by the Labor Party in Queensland is on the two-Party preferred vote: they argue that they have to get 51.4 per cent to win.

The Hon. C.J. SUMNER: Because the boundaries drawn are so blatantly unfair, with 5 000 and 7 000 electors in some rural seats. They are drawn around pockets of Labor voters to ensure that they do not infiltrate into the surrounding rural areas. That is the position in Queensland and everyone knows it. That is not so in South Australia.

In South Australia boundaries are drawn by an independent commission over which there is no political control. The furphy that there is some comparison (and I know members opposite want to run this for their own political reasons) ought to, in a rational environment, be put to rest because it is rubbish. For the reasons I have outlined and perhaps more importantly, if people do not want to take my views on it, for the reasons outlined by Justice Bright, the criteria that the Opposition is trying to add that the commission should take into account ought not to be accepted.

The Hon. K.T. GRIFFIN: Already in section 83 of the Constitution Act the commission is required to consider a number of matters and, as far as practicable, shall have regard to them. They include the nature of substantial demographic changes that the commission considers likely to take place in proposed electoral districts between the conclusion of its present proceedings and the time when

proceedings are likely to be next taken for the purpose of making an electoral redistribution.

There is a crystal ball gazing exercise in that criterion. The commission must also have regard to a number of other criteria, and clause 3 seeks to provide yet another matter to which the commission must have regard. It has to balance all of those criteria. It can never make a perfect redistribution, but there is no doubt that introducing this concept, in my view and in the view of my Party, does not introduce the sort of political complexity to which the Attorney-General has referred.

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: But you have regard to past voting patterns.

The Hon. C.J. Sumner: What about retired members?

The Hon. K.T. GRIFFIN: You have regard to all those sorts of factors. There are enough psephologists in Australia who say that it can be done. Dr Jaensch is the only one in Australia of whom I am aware who has the view that any Party can win an election with 45 per cent of the two-Party preferred vote. Perhaps that is so in a dramatically gerrymandered electorate, but it is certainly not the case in South Australia. I think that everyone recognises that the mere focus upon equality of numbers with its admitted 10 per cent tolerance either way included in the Constitution Act does not necessarily give a fair redistribution.

There are any number of United States cases where the focus has been on gerrymanders much more than it has been in Australia where there, of course, the Legislatures do the actual drawing of boundaries and a number of boundary alignments drawn are originally in the shape of a salamander to take in pockets of voters—one way and not the other—so that that is the home of the gerrymander and there the Legislature undertakes in many cases the exercise of drawing the boundaries.

There are cases in the United States that focus positively on the fact that the mere equality of votes does not give a fair electoral redistribution. The object of the amendment that I am proposing is to add a criterion to those already in the Constitution Act to which the boundaries commission shall have regard. However, it is couched in such terms that there is a great deal of flexibility and it draws attention to the fact that just to focus on numbers does not necessarily result in a fair redistribution.

The Attorney-General has debated the issue at length, as I have. We disagree on this. I am disappointed that he does not agree with me, but I put up the proposition for consideration by the Committee. I believe that it is a useful criterion which the commission should have regard to and then balance against the other criteria.

It is interesting that, in his second reading contribution, the Attorney-General referred to the West German system which has a lot of attractions because it overcomes the difficulties in single-member electorates because of the topping-up exercise from Party lists. As we now do give support to Parties and recognise them in our electoral legislation, it seems to me that we already have a political influence in the system which also ought to be noted at the redistribution stage. So, I acknowledge the disagreement with the Attorney-General, but I still hope that support will be given for this proposition.

The Hon. I. GILFILLAN: The Democrats oppose this clause and support the amendment. I have always had this objection from the first time I read the Bill through and attempted to understand its implications. I believe that we have persistently urged that the system of proportional representation apply in another place which would virtually eliminate for all time the hassle and the anxiety of juggling from boundary to boundary and this argument whether the boundaries are fair. Not only would it do that but also it would give a fairer and more accurate reflection of the voting wishes of the South Australian population.

I am not so naive as to believe that we have the numbers in this Chamber at this stage to pass an amendment along those lines, but I clearly and categorically indicate that that is our prime aim for electoral reform. I agree with the Hon. Trevor Griffin when he refers to the West German situation of topping-up as important and interesting. At least that is a move towards a portion of proportional representation, at times representing a minority group which will not win a seat in single-member electorate structures. I recall that it was a system which was favourably viewed by the Hon. Ren DeGaris, who was a member in this place in the first years when I was here.

The Hon. C.J. Sumner: He has gone off it.

The Hon. I. GILFILLAN: I have not heard that at first-hand but, if that is the case, he has lost his dedicated attempt at having a fair electoral system.

The Hon. C.J. Sumner: I'm joking.

The Hon. I. GILFILLAN: You are joking, are you?

The Hon. C.J. Sumner: The connection of Mr DeGaris with fair electoral systems is something that has not usually been agreed to.

The Hon. I. GILFILLAN: The Attorney-General is casting some inference on the sincerity of the Hon. Ren DeGaris's determination to get a fair electoral system. It is up to him to cast that inference, not me. I am indicating that we are perhaps seeing a glimmer of light in getting at least a partial proportional representation system introduced into the Assembly of this Parliament, and it would be a good move of statesperson-like stature if both Labor and Liberal were to indicate that they would, in the term of the next parliament, move to introduce a form of proportional representation in another place. That decision would not go unnoticed by the Democrats when they assessed which Party would be suitable to form the preferred Government in this State. Be that as it may, and without prolonging the debate unduly, I indicate that the Democrats support the amendment to delete clause 3.

The Hon. J.C. BURDETT: I support the Hon. Mr Griffin's Bill and oppose the amendment. The Hon. Mr Gilfillan has indicated that he supports the amendment, which means that the outcome is a foregone conclusion. First of all I will make a few remarks about the Hon. Mr Gilfillan's contribution. He stated that, as we all know, the Australian Democrats support proportional representation in the House of Assembly, for the fairly obvious reason that that would assure them a few seats. There are two sides to the question of proportional representation in the lower House. There is nothing against it in the upper House; it has worked very well there and nobody could argue against it.

From the point of view of electoral equity and democracy, it is strong in the lower House but, from the point of view of representation, it is weak, because the merit of the present system, also used in England, is that everybody has his own member of Parliament. The member cannot evade his responsibilities and an elector can kick him in the backside until his nose bleeds because he is his member of Parliament. I think that it would be bad to abandon this situation in the lower House. I know that it does not apply in Tasmania, where they have proportional representation in the lower House and have single-member electorates in the Upper House. That is my view about proportional representation in the lower House. There is a lot of merit in the West German system, where every elector has a member of

Parliament but, because of the topping-up system, there is electoral justice.

I support the Bill in its present form and I oppose the amendment because all the Hon. Mr Griffin's Bill does in this regard is include paragraph *(g)*. One of the many criteria to be taken into account by the commission is desirability—that is all. These does not have to be a mathematical calculation to determine the desirability. Clause 3 *(g)* provides:

> The desirability that a political party or group gaining 50 per cent plus one of the two-party preferred vote at a general election of members of the House of Assembly at which the proposed electoral redistribution would apply should have a reasonable prospect of forming a government.

At the present time, as the Attorney-General has said, it has twice been held by the commission that this cannot be taken into account at all. The commission was undoubtedly correct in interperpreting the present Act. The point of all amending legislation is to change present Acts of Parliament. The point about our system is that, broadly speaking, all Acts of Parliament can be changed, apart from those where there are entrenched provisions. This Bill seeks to make a change. I find it amazing that there is any argument against equity in the voting system, because all the Hon. Mr Griffin is trying to achieve is equity; that at least the commission can take into account the desirability that the Party which gains 50 per cent plus one of the two Party preferred vote should have a reasonable prospect of forming a Government. Of course, that cannot be ensured, and the Bill does not seek to ensure it. It does not say there should be a mathematical calculation and that that should be provided. It merely says that that is a matter which can be taken into account. I find it astonishing that anyone—the Attorney-General or the Democrats—can argue against allowing equity between the Parties to be taken into account and I therefore oppose the amendment and support the Hon. Mr Griffin's Bill.

The Hon. M.J. ELLIOTT: Back in 1976 when I worked briefly for the Liberal Party, one of my jobs—a very interesting one—was to prepare a submission to the Electoral Boundaries Commission in partnership with Mr Robert Lucas. We worked on the very section which members now seek to amend. Working on that section and obeying all the rules we found that, by shifting boundaries, but not creating salamander shapes or anything else, we could obey all the rules yet make a significant difference in what the likely result would be. I have no doubt that Chris Schacht, when he prepared the Labor Party submission, shifted boundaries around and found that exactly the same things happened. The reality is that, by shifting the boundaries around and obeying all the rules, a significantly different result is possible, going on what happened in the last election, and allocating the booths to the new boundaries. There is no denying that. I suggest that there is a difference of as much as 3 or 4 per cent, determining who formed government. Whether or not it is true that, in every election so far, the Party that has the majority of votes on a two-Party preferred basis happened to form a Government, it is probably as much good luck as anything else.

The Hon. C.J. Sumner interjecting:

The Hon. M.J. ELLIOTT: Wait a second. The point is that one could choose any boundaries at all, obey the rules and not take into account what results would occur. One may have chosen boundaries that fell anywhere in the spectrum and without having tested it to see what may occur. The truth is that the present system is prone to error from time to time, and this is through no fault of the work of the commission. However, having said all that, I still see problems with what the Hon. Mr Griffin has put forward. Under this provision, for the first time, we would invite the commission to start taking political considerations into account and ask them to start predicting votes. How on earth can the commission ever take into account the sort of thing that happened in recent elections, such as the marginal seat strategies that appear to be used increasingly?

How can the commission take into account the fact that particular sections of voters that support one Party en masse may desert it and go to another Party, just as the Labor Party in the recent Adelaide by-election lost massive numbers of blue-collar people to the Liberal Party? How on earth could that ever be predicted? That is just an example of the sort of thing that could happen. I am quite confident that, even trying to take political considerations into account, when all is said and done, this legislation would probably not do what one hoped it would. We would have to look at another solution.

As I see it, there are only two solutions. One is a modification of the West German system, where there is a fixed number of seats and there is list system so that, after the preferences have been run through, whatever Party has the majority of votes over 50 per cent on the preferred basis would then be given an extra member or two from its list so it had the majority of members. That is one way of doing it, so that there is no need for political interference or political involvement at all in the drawing of the boundaries.

Obviously that is very much a second choice. The Democrats, and I personally (long before I was a Democrat; when I was in the Liberal Party) consistently supported proposed representation like the West German system. It is as close to a truly democratic system as one can have. It does not do it on just a two Party system; it tops up all Parties votes to the percentage that they won but still has single member electorates. It has the best of both worlds. It stops all forms of vote rigging and gives complete democracy so that everybody can claim to have a representative. If they do not have a local representative, at least their vote counts to get somebody in.

While the sentiments of the Hon. Mr Griffin are spot on and the claims that he makes about the potential for the present system not working properly are correct, I do not think that this proposal will solve the problem. I have already suggested two other alternatives which are possible and workable. Obviously the Democrats would support true proportional representation.

The Hon. C.J. SUMNER: The West German system has been mentioned, and I mentioned it in my second reading contribution. Clearly, if that system were to be contemplated, much more work would have to be done in South Australia.

The Hon. R.J. Ritson: It would be a larger House.

The Hon. C.J. SUMNER: No, it need not be. That is why much more work would have to be done. I suspect that the situation applying in West Germany is not the same as ours. I do not know whether they have preferential voting in their lower House in the same form as we have here. We would have to work out what to do with Independents, how to allocate their preferences and get to the two-Party preferred vote, which is one of the problems with a reference to a two-Party preferred vote in the Bill and which is not adequately addressed in the Bill.

If we are to look at that notion of a two-Party preferred vote to get to the situation of 50 per cent plus one forming the Government in every circumstance in the House of Assembly, we have to look at ways of determining the 50 per cent plus one. That could not be done now. We would have to look very carefully at the problem of Independents,

minor Parties, how to allocate the preferences, and so on, to get to 50 per cent plus one. The issue has been raised and I indicated in my second reading contribution that the matter could be examined. The only point I want to make is that it will require much more work than has been done hitherto.

The Committee divided on the clause:

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

Noes (9)—The Hons T. Crothers, M.J. Elliott, M.S. Feleppa, I. Gilfillan, Carolyn Pickles, R.R. Roberts, T.G. Roberts, C.J. Sumner (teller) and Barbara Wiese.

Pairs—Ayes—The Hons Peter Dunn and R.I. Lucas. Noes—The Hons Anne Levy and G. Weatherill.

Majority of 1 for the Noes.

Clause thus negatived.

Clause 4—'Special provisions as to referendum.'

The Hon. C.J. SUMNER: I oppose this clause, which deletes the mandatory two month delay between the day on which the Bill is passed and the day on which a referendum of electors is held. I think that two month delay was included to ensure that a Party with a majority in both Houses could not rush legislation through both Houses and then go to a referendum quickly without adequate time for the community to debate the issues. I think that the two month delay is an appropriate safeguard and should remain.

The Hon. K.T. GRIFFIN: The object of removing it was to try to ensure that we did not spend $2.8 million to have a referendum.

The Hon. C.J. Sumner: The two month delay is entrenched.

The Hon. K.T. GRIFFIN: I have not finished. It was to ensure that we had it at the same time as the State election if it were held in the very near future. However, during the course of his second reading explanation, the Attorney-General made the point that the two month period is entrenched by virtue of section 88 itself. I must say that I had overlooked that when the Bill was drafted, and those who were involved with the drafting of the Bill obviously did so also, although I do not blame them for it and I accept responsibility.

In those circumstances, I have no option but to agree that it is not constitutionally possible to delete the two month period without a referendum. Quite obviously, if the election is held this year, it is unlikely that the two months will have elapsed if this Bill is passed through both Houses. On the other hand, if the election is held in the early part of next year, there is then still a possibility of the Bill's passing and for the referendum to be held concurrently with the State election. I hope that in those circumstances that course of action would be followed. I oppose the clause.

The Hon. I. GILFILLAN: I, too, oppose the clause.

Clause negatived.

Title passed.

Bill read a third time and passed.

[Sitting suspended from 5.57 to 7.45 p.m.]

REFERENDUM (ELECTORAL REDISTRIBUTION) BILL

In Committee.

Clauses 1 to 4 passed.

Clause 5—'Question to be submitted to electors.'

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

Page 1, after line 30—Insert new subclause as follows:

(2a) An elector who leaves the ballot-paper unmarked but who otherwise observes the formalities of voting is not in breach of the duty imposed by subsection (2).

Clause 5 provides that it is the duty of every elector to register a vote at the referendum. My proposed amendment would ensure that the duty to register a vote is discharged by attending at the polling booth and leaving, even if the elector decided to leave an unmarked ballot-paper in the box. This accords with the obligations at general elections.

The Hon. K.T. GRIFFIN: I do not raise any objection to the amendment. It will be very difficult, if it ever could be done, to prove that a person has not marked a ballot-paper. It is a secret ballot, but it is consistent with what has been put into the Electoral Act to satisfy the technical objection of the Hon. Mr Gilfillan, as I recollect. As I said, during the second reading debate in relation to the obligation to vote, whilst there is compulsory voting I am content to go along with the form of this clause, although I would rather see voluntary voting, so no point can subsequently be made that there is any inconsistency on my part between my position on voting and marking a ballot-paper at a referendum.

Amendment carried; clause as amended passed.

Remaining clauses (6 to 10) and title passed.

Bill read a third time and passed.

LANDLORD AND TENANT ACT AMENDMENT BILL

The Hon. C.J. SUMNER (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Landlord and Tenant Act 1936, and to make a related amendment to the Commercial Tribunal Act 1982. Read a first time.

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

That this Bill be now read a second time.

This Bill amends the Landlord and Tenancy Act by improving the level of disclosure to those who propose entering into commercial leases in respect of premises from which retail businesses are conducted with a rental level of $200 000 per annum or less and by expanding the protection given to tenants under leases executed by them.

The Statutes Amendment (Commercial Tenancies) Act 1985 gave to tenants, under leases having a rental of $60 000 per annum or less, certain rights including the right to refer disputes to the Commercial Tribunal, a limitation on the amount of bonds, and other protections.

Many complaints have been made by tenants about the actions of some landlords to members of Parliament and the Department of Public and Consumer Affairs since the Act was passed.

Late in 1988 the Government asked the Commissioner for Consumer Affairs to establish a working party consisting of persons representative of landlords and tenants to consider whether legislation relating to retail premises leases should be amended. In this Bill certain of the recommendations of that working party are adopted.

The level of complaints by tenants has prompted the Government to take action in relation to the legislation. The types of complaints reveal a lack of appreciation by many tenants of the effect of lease documentation executed by them. The Bill therefore provides for a better standard of disclosure to tenants before lease documents are signed.

The Bill allows tenants to obtain a lease for a minimum five year term. The creation of a minimum five year term for all leases affected by legislation (if required by the tenant) will alleviate a major concern of tenants, namely, that tenants are not able to secure a reasonable lease term

over which to write off expenditure on fixtures and fittings incurred at the commencement of a lease. Also, the opportunity to sell the goodwill in a business at least early in a five year lease term will be afforded by the minimum five year term.

Representatives of landlords support the notion of better disclosures to potential tenants but oppose granting to tenants the right to have a five year minimum term if required by them. It is argued that the minimum term represents an unwarranted intrusion into the market for the leasing of retail premises, will discourage development in South Australia and will disrupt the optimisation of tenancy mixes in large shopping centres. It should be noted, however, that in Victoria and Western Australian tenants have the right to a five year minimum term.

Problems have also arisen in relation to the registration of leases under the Real Property Act. In order to make leases definitely enforceable by a tenant against the successor in title of a landlord registration of leases is necessary. Some landlords include provisions in leases the effect of which is to prevent registration. The Bill includes a provision which renders void any provision in a lease preventing registration and requiring landlords to sign leases in registerable form. Representatives of landlords and tenants support this proposal.

The other major issue to be addressed in the Bill is the scope of the Act. At present, the provisions of the Act apply to all leases under which the rental payable is $60 000 per annum or less. A majority of the working party recommended that in lieu of a rental limit, the determinant of whether a lease should be affected by the legislation, should be whether that tenant employs 20 persons or less. The suggestion was made because the majority of those consulted in relation to the matter believed that, on the assumption that it is desired to protect 'small business tenants' the best way to do so is to use a determinant which is directly related to whether a business is small. The Small Business Corporation uses the 20 person level as the determinant of whether a business is small or not.

While appreciating this view, the Government considers that introducing the notion of determining whether a lease is affected by the legislation by reference to the number of persons employed may lead to confusion and misunderstanding. Linking protections offered under this Act to employment levels is also considered to be a disincentive to employment. The Bill therefore retains the notion of a monetary limit being the determinant and increases the current limit to $200 000 per annum. This course of action is, generally, supported by representatives of small businesses.

The Bill also addresses the circumstances under which a landlord can require a tenant to move his or her business during the term of a tenancy. In connection with the proposal for a minimum five-year term, and as a result of comments made in the working party's report, the Bill will allow a landlord to request that a tenant move his or her business to other premises within a shopping complex if the term of the tenancy has been extended under the Act. Furthermore, the Bill will require a landlord to give a tenant at least three month's notice before he or she can require the tenant to move (whether that requirement is exercised after an extension under the Act, or by virtue of the terms of the tenancy). A tenant will be entitled to apply to the Commercial Tribunal if a dispute arises with the landlord. The Government considers that these provisions will provide a fair balance between the interests and rights of landlords and the interests and rights of tenants.

The Building Owners and Managers Association is in the process of preparing a code of practice which could be prescribed under the Act. That code is expected to deal with a number of issues. The vexed issue of inappropriate control by landlords of trading hours will be dealt with under the code of practice. Other issues including communication between landlords and tenants will also be dealt with under the code. The Government has therefore decided not to amend the Act to deal with such issues at this stage although, if the code of practice is, after appropriate consultation, deemed to not protect the interests of tenants effectively, the Government will take appropriate legislative action.

The Bill also makes housekeeping amendments to the Act dealing with a number of matters including the removal of some uncertainties identified by the Chairman of the Commercial Tribunal, and the insertion of some provisions designed to streamline proceedings in the commercial tenancies jurisdiction of the Commercial Tribunal. As a result of concerns expressed by the Chairman of the Commercial Tribunal that the current provisions do not adequately deal with the issue of goods abandoned on leased premises by former lessees the Bill contains provisions to govern such situations.

This Bill is being introduced now to allow public debate and further consultation to occur with interested parties. It may be the case that as a result of this process of consultation the Government will move amendments to the Bill in Committee.

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

Leave granted.

Explanation of Clauses

Clause 1 is formal.

Clause 2 provides for the commencement of the measure.

Clause 3 amends the definition of 'shop premises' to include expressly business premises at which services are supplied to the public. The amendment is proposed as a result of comments made by the Supreme Court in *Hilliam Pty Ltd v Mooney and Hill* (143 L.S.J.S. 386). Other definitions are included as a result of other amendments to the principal Act proposed by this Bill.

Clause 4 amends the monetary limit that applies under section 55 (1) *(b)* of the principal Act. Presently, the Act does not apply to a commercial tenancy agreement if the rent exceeds $60 000 per annum. It is proposed to alter this amount to $200 000 per annum, or such other amount as may be prescribed by regulation. Another amendment will allow the regulations to exclude agreements from the operation of the provisions of the Act subject to conditions prescribed by the regulations.

Clauses 5 revises section 56 of the principal Act. Section 56 vests exclusive jurisdiction in the Commercial Tribunal to hear and determine any claim that arises under or in respect of a commercial tenancy agreement. It is proposed to clarify the relationship between this jurisdiction and the jurisdiction of the courts. The provision that allows a party to obtain an order for the removal of proceedings to a court where the proceedings involve a monetary claim in excess of $5 000 has been revised and the amount increased to $20 000.

Clause 6 proposes the insertion of two new provisions into the principle Act. Under proposed new section 61a, a landlord will be required, on the request of a tenant who is entering into a commercial tenancy agreement for a term exceeding one year, to prepare a lease in registrable form and to have the lease registered. A provision in a commer-

cial tenancy agreement that purports to prevent registration will be void. Under proposed new section 61b, if a landlord requires that a commercial tenancy agreement be prepared by himself or herself, or by his or her representative, the costs for the preparation of the document, and for any associated attendances on the tenant, will be borne by the landlord. If the tenant has asked that the agreement be in registrable form, and the landlord is undertaking the preparation of the document, the costs for the preparation of the document, and for any associated attendances on the tenant, will be shared equally between the landlord and the tenant.

Clause 7 revises section 62 of the principal Act. In particular, where a commercial tenancy agreement is prepared by the landlord (or his or her representative), the landlord will be required to give to the tenant a written statement in the prescribed form specifying the information required by the regulations, and advising the tenant to read and sign the statement, and to read the proposed commercial tenancy agreement, before he or she executes the commercial tenancy agreement. If a landlord fails to provide such a statement, provides a statement that is not true and correct, or fails to provide the tenant with a copy of the commercial tenancy agreement, the tenant will be able to apply to the tribunal for relief.

Clause 8 amends section 63 of the principal Act. It has been argued that section 63 could extend to a provision in a contract of sale of a business (conducted in premises subject to a commercial tenancy agreement) that requires the purchaser to pay an amount for goodwill or stock. This is not intended under section 63. It is therefore proposed to amend the section to clarify that it only extends to a provision under an agreement between a landlord and a tenant in respect of the sale or assignment of a business or rights under a commercial tenancy agreement.

Clause 9 proposes an amendment to section 66 of the principal Act on account of the decision in *Hilliam Pty Ltd v Mooney and Hill.* That case is authority for the proposition that the warranty under section 66 relates to the condition of the demised premises at (or immediately before) the commencement of the tenancy. The amendment will make the warranty a continuing warranty of structural fitness, that will continue even if the tenant assigns his or her rights under the commercial tenancy agreement, or sublets the demised premises. However, it will be a defence to a claim under section 66 to prove that any change in the structural suitability of the premises is attributable to the acts or omissions of another.

Clause 10 inserts a new section 66a that relates to any commercial tenacy agreement that does not provide for a term of at least five years (including any extensions or renewals). Under such an agreement, the tenant will be entitled to apply to the landlord for an extension of the term so that it expires on the fifth anniversary of the date on which the tenancy first took effect (or on some earlier date). If the landlord or the tenant cannot agree on the terms of an extension of the tenancy, either party may apply to the Commercial Tribunal for a resolution of the matter. Furthermore, new section 66ab will regulate the circumstances under which a landlord can require a tenant to move his or her business during the term of the tenancy. Subsection (1) will allow the landlord to exercise such a right if the term of the tenancy has been extended under new section 66a. Under subsection (2), a landlord exercising any right to require a tenant to move his or her business will be required to give the tenant at least three months notice of his or her proposals. The tenant will be entitled to apply to the tribunal for relief.

Clause 11 clarifies the rights and liabilities of a landlord to deal with goods that have been left on premises after the termination of a commercial tenancy agreement. The new section is based on a similar provision in the Residential Tenancies Act 1978.

Clause 12 amends section 68 of the principal Act in conjunction with the review of the operation of section 56 of the Act. It is also intended to clarify that a party to a related guarantee can apply to the tribunal for relief. The tribunal will be empowered to restrain the breach of any law, or to ensure compliance with any law, and will also be able to make other orders as it thinks fit. (Such powers are necessary in view of the nature of the tribunal's jurisdiction).

Clause 13 amends section 70 (2) of the Act to delete the requirement that the tribunal must be consulted before income derived from the investment of the Commercial Tenancies Fund is applied under the Act. The relevant provision relates to an administrative or policy matter and it is preferable that the tribunal not be involved.

Clause 14 will enable regulations to prescribe codes of practice to be complied with by landlords and tenants.

Clause 15 provides for a revision of the penalties under the principal Act.

Clause 16 makes a related amendment to the Commercial Tribunal Act 1982. During the review of the Landlord and Tenant Act 1936, it has become apparent that it would be appropriate to allow a party to procedings before the Commercial Tribunal to obtain a default judgment in certain cases. The amendment would allow appropriate regulations to be made under the Commercial Tribunal Act 1982.

Clause 17 is a transitional provision.

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

SANTOS LIMITED (REGULATION OF SHAREHOLDINGS) BILL

Returned from the House of Assembly without amendment.

APPROPRIATION BILL

Adjourned debate on second reading.

(Continued from 17 October. Page 1166.)

The Hon. K.T. GRIFFIN: The budget, which is the subject of this Bill, is disappointing. It is not a budget that demonstrates any vision for South Australia. In fact, it provides for new net spending in a full year of at least $94 million. The citizens of South Australia are not told how that is to be funded. In that context, it is interesting to note that, as part of this budget, the South Australian Financing Authority has held back no reserves this year, unlike previous years.

The budget provides for total State public sector spending to rise by some 11.5 per cent in 1989-90—a real increase of 4.5 per cent. Quite obviously, that will have an effect on demand in the South Australian economy at a time when the Federal Government is endeavouring to reduce demand in order to bring down interest rates. Seven Labor budgets have meant a growth in State tax collections of 163 per cent—which is a real growth of more than 90 per cent. In per capita terms, Federal and State tax has now reached the level of $71.99 per week in South Australia, compared with

$34.21 in 1982. It is interesting to note that 50c in every tax dollar that the Government takes this year will be needed to pay off interest on past and current borrowings. The total interest bill this year is $657 million. It is interesting to note that the Bannon Government has borrowed almost $2 billion to fund its budgets, on top of record tax increases.

The budget provides for growth in public sector employment of almost 550 positions. As I have indicated, there is a net increase in spending in a full year of at least $94 million. The budget makes no allowance for the fact that the forward estimates published by the Commonwealth show significant real reductions in outlays to the States in 1990, 1991 and 1991-92. The State budget deficit is likely to grow to almost $300 million by June 1993 unless there are substantial productivity improvements and other action is taken to reduce wasteful spending.

In the lead-up to the budget, we heard a number of announcements by the Government which were all designed to put a gloss on the package over as long a period as possible preceding its introduction. However, it is also interesting to note the way in which those announcements were packaged: little money is made available in the current year, and it is in subsequent years that the full cost will be felt by the taxpayer. So, the Government has thrown money at problems and initiatives, giving the impression that it is doing something without worrying about the consequences of substantial increases in recurrent costs in the years ahead. Of course, those liabilities will have to be met after the next election. So, it is a spend now budget for the election and a pay later budget after the election.

I now turn to several specific issues which relate to the budget. The first is the Justice Information System which was predicted to blow out to quite a substantial degree. In April of this year information received by the Opposition indicated that after a review the Government estimated that to implement the JIS by 1994 would cost almost $75 million. That compares with the $21 million prediction in 1985 when the Bannon Government gave its financial approval to the implementation of the system. In 1985, the cost savings were estimated at more than $5 million. In April of this year that estimate had been reduced to $2 million. The reduction had been brought about mainly by fewer staff positions being saved. On predictions at that time, the cost of the system had blown out quite substantially.

The Government appointed a committee to examine the matter, and as a result some substantial reductions were made by the Government within the scope of the system, bringing the costs back quite dramatically. In July, the Attorney-General said that the system was being scaled back to one which primarily tracks offenders through the justice system. Back in 1979, that was the original concept. After reviews by persons who were expert in computer systems, it was decided to take the matter much wider and, when the Government made the decision in 1985 to proceed with the implementation of a broad based system, it was the Bannon Government which made that decision.

The Attorney-General tried to put the responsibility for the decision back onto me, and to the Tonkin Liberal Government, but that really will not wash because in 1985 the decision was taken to proceed, and the Government had control of it from 1982 when the in-principle decision was taken to proceed on a much wider based system. The Government has had the control of the system since the decision was taken in 1985. The Auditor-General made some observations about the Justice Information System in his 1989 report. He said that the Chairman of the Government Management Board had advised him that as a result of the review the time for development of the remaining applications had been reduced to something between two to three years, instead of five years or more; that management arrangements had been strengthened, particularly by providing for an experienced project manager; and that the overall development costs had been reduced in 1988-89 values to $34.1 million, and the estimate was that something like $18.5 million would be expended in the year ended 30 June 1989.

The decision had also been taken to require the board of management of the Justice Information System to operate within the overall development cost. According to the Auditor-General, the Chairman of the Government Management Board had indicated that this may in fact require the board of management of the JIS to reassess the scope of applications, security provisions and relative priorities of applications in due course.

As a result of questions in the Estimates Committee, answers have now been provided which indicate the scope of the remaining systems that the Government proposes to incorporate in the Justice Information System and the expenditure of $15.646 million on capital and development costs with the recurrent or operational costs running from $3.507 million in the current financial year through to $6.4 million in 1992-93. So, for the current financial year and subsequently up to 1992-93, the total capital development costs and recurrent or operational costs for those years would be close to $34 million in addition to about $20 million which has been spent so far on getting the system up and running. There needs to be some very strong management directed towards the operation and implementation of the Justice Information System and very close monitoring needs to be undertaken of all the decisions taken in relation to it in the next two to three years.

I turn now to the question of legal aid. I seem to be raising this every year during the course of the budget debate, but it is an important issue that needs to be referred to because of the financial sleight of hand that occurs on each occasion. In the current budget, there is a provision for legal aid of $10.059 million. Only $1.035 million of that is to be provided by the State Government in this budget, but that is not the end of it because immediately, in this budget, the State Government is taking back from the Legal Services Commission the sum of $960 000, which means a net contribution to legal aid by the State of about $100 000 with almost $10 million being contributed by the Commonwealth. It is interesting to note that, as a result of the constraints upon the Legal Services Commission, in 1987-88 a total of 13 254 applications for legal aid were approved, compared with 10 949 in 1988-89. As a result of the new Commonwealth-State legal aid funding agreement, significant budgetary requirements will be imposed upon the State because of the increase over the next four years at least, in the State's contribution to legal aid.

It is important to note that in 1986-87 the Bannon Government granted the Legal Services Commission $740 000 and in the same year reclaimed $370 000; in 1987-88 it granted $840 000 and took the same amount back; and in 1988-89 it granted $814 000 but in the same budget took back $890 000. In each of those years, the receipts from the Commonwealth, which provided the lion's share of funding for legal aid in this State, amounted to $8.3 million in 1986-87; $8.424 million in 1987-88; and $9.041 million in 1988-89.

There is a real problem with legal aid, because there are so many ordinary South Australians who believe that they qualify for legal assistance but are unable to get it because they do not satisfy the means test. Generally speaking, it is

only those who are significantly financially and economically disadvantaged who seem to be able to benefit. Even in those circumstances, there are many whose applications are rejected.

The other issue that I raise periodically relates to the Corporate Affairs Commission, which is now used much more significantly than it has been in the past for the purpose of raising revenue, which is not applied to the area of administration of companies, cooperative building societies and credit unions. In 1988-89, the fees and other receipts of the Corporate Affairs Commission amounted to $14.647 million, of which only $5.439 million was paid in operating expenditure. In 1989-90, that is being lifted to $17.317 million by way of receipts, with spending increasing to $6.376 million.

That is a clear profit of nearly $11 million to the State from the corporate sector that is not being applied to the administration of the law relating to companies and securities. Of course, that may all change after the High Court decision, although, as the Attorney-General indicated yesterday in answer to a question, some representations had been made by the State to the Commonwealth that, in the event of the State's challenge to the validity of the Commonwealth legislation, the State should not be financially disadvantaged. It would be interesting to know what the Commonwealth actually proposes with respect to this, because there is a significant generosity in the $11 million profit used by the Government for purposes other than the administration of companies and other corporate bodies. I cannot believe that the Commonwealth will allow that sort of funding to remain with either South Australia or the other States.

There is continuing concern in this State about the Commonwealth's insistence upon proceeding with Commonwealth legislation. It is most disturbing that States such as Victoria, Queensland and Tasmania have capitulated to the Commonwealth and have now agreed to cede power to the Commonwealth in return largely for a financial deal and to allow the Commonwealth to take over this area of the regulation of companies and securities. There will undoubtedly be more of that saga in the weeks ahead as the High Court determines the question of constitutional validity of the Commonwealth legislation.

I wish to make a few observations on the police, who have continuing problems of morale related to frustration in their not having sufficient time adequately to do the jobs for which they are trained, as well as experiencing pressure of paperwork, both in terms of recording statements and in the administration of police work and police stations. They have an inability to cope with quite extraordinary pressures which result in their being unable to attend calls for assistance in some instances.

Delays with police pensions are causing considerable concern. The Police Association has been actively pursuing the matter with the Government, but ordinary police officers have, on many occasions in the past few months, expressed to me their concern about delays by the Government in reaching some conclusion on police pensions. That affects the security of police officers and their families and directly has a bearing on police morale.

The police also believe that inadequate punishment is meted out to those who they apprehend for quite serious offences. They draw attention to young offenders in particular as well as to other offenders. They see expiation notices being handed out for some offences for which they believe an appearance before the court would be more appropriate, and they tend to throw up their hands and say, 'Why should we bother?'

I received only recently a copy of a letter from a Neighbourhood Watch area coordinator. The letter, which was sent to the Attorney-General, expresses the frustration of Neighbourhood Watch members and the police, who have a close association with the Neighbourhood Watch program. I will read the letter, as it reflects the flavour of the observations and complaints made to me over some time by police and others. There is no secret as to the identity of the person who wrote the letter. He writes as follows:

I, as coordinator of Neighbourhood Watch Marion 2, have been given the task of writing to you about the leniency of sentences given to young offenders today.

At our last monthly meeting we were informed by our police co-ordinator that the biggest single rise in crime is car theft among juveniles. The other crimes involving young people are such things as vandalism, graffiti, breaking and entering along with other anti-social acts which seem to represent a total lack of respect for anyone else in the community, or their property.

To get to the point, really the nub of our discussion was the attitude of young people to the law. Having a 19 and 14 year old myself (who I must add are quite law abiding), I know well that their attitude is 'Blow the police; what can they do?' This I suppose is what we have to ask ourselves: what can the police do? Not very much.

It seems even if they do manage to catch the offenders and can prove their crime, bringing them to justice seems to be a 'joke'. They are let off with a fine and/or a warning, or the sentences they are given are so short that with remissions they come out of jail/remand homes and start all over again. This time they seem to have a vendetta against society, because they are obviously more dissatisfied with life than before, and seem to want to get back at everybody else because of this.

The politicians all over Australia have listened to the 'do gooders' for so long that they now seem scared to speak out about what they believe is right.

As I and my zone leaders represent approximately 800 households in our Neighbourhood Watch area we feel our views should be heeded. We ask for penalties that mean something and that will help dissuade younger children from being led into crime.

Society as a whole is suffering dramatically because of situations such as these. There are many good, hard working people in the community who are sick to death of being straight and honest just to be 'smacked in the teeth' over and over again, when criminals seem to have more rights and privileges than decent human beings. How much longer can we honest people stand this injustice? Something must be done, NOW! We have other suggestions and views and would welcome you to one of our meetings to exchange these ideas.

At the recent Neighbourhood Watch State conference, I understand that concern was expressed again in similar vein by those who attended. The observation was also made that, although there has been a directive to the Crime Prevention Centre to get 200 or so neighbourhood watch areas on the waiting list processed as soon as possible, in the view of those involved with neighbourhood watch that is not sufficient if there are not adequate resources to service the needs of those neighbourhood watch groups. I was told that about three per week are now being processed, but, even in that context, with new applications being made, it is unlikely that the backlog of neighbouthood watch applications will be satisfied for at least two and, most likely, three years.

I have been told that the police have been advised not to attend the conference if they are on duty. That created concern among neighbourhood watch members who were present, because they depend upon close liaison with police officers, and a directive not to attend if on duty was disappointing to neighbourhood watch people.

Significant problems must be addressed, particularly with the police. Morale is probably the most significant of all. The Government has indicated that it is to appoint 122 additional police officers by 31 December 1990, but there must be adequate support for those police in the duties that they undertake. Discussions with the Police Associations and other police about the additional police officers suggest that those 122 additional police officers will not be appointed by 31 December 1990, because the Fort Largs training acad-

emy is unable to process them, and, subsequent to their graduation from the academy, there will not be sufficient time to ensure that they are fully trained by the time they are required for duty.

They spend a period at Fort Largs and, after their graduation, they are required to spend 12 months, in a sense, as probationary officers working through various sections of the Police Department before they are allowed to go formally on duty. I am told that, with the natural attrition of police officers through retirement for a variety of reasons, including early retirement there is really no way that the 120 additional police officers can be on duty by 31 December 1990. However, in that respect at least, some progress is being made and commitments given for the appointment of additional police officers, even if the majority of them arrive later rather than sooner.

As I say, the police must be given adequate support in their work as well as being provided with facilities like video and tape-recorders and the necessary support staff to reduce the amount of time taken on administrative tasks and to ensure that adequate support of a non-police kind is provided.

I could refer to many other matters, which I frequently do during the debate of the budget. Questions could be raised about delays in the courts and prison activities, which both come within my shadow portfolio area. However, in the context of this debate and in view of the time, I should leave my contribution at the matters to which I specifically referred in detail. On that basis, I support the Bill although, as I indicated at the commencment, it is a disappointing document developed essentially to get the Government through its election phase rather than providing any long-term vision for South Australia.

The Hon. BARBARA WIESE (Minister of Tourism): I want to respond to the contribution made by the Hon. Mr Davis in this debate and to certain remarks he made about the South Australian Timber Corporation and the Woods and Forests Department. The honourable member made a number of assertions with which one would have to disagree. For example, he mentioned the Satco profit for this year and suggested that somehow or other the figures had been cooked, or somehow or other there had been fancy footwork to enable Satco to arrive at the profit figure which appears in the financial documents.

The fact is that Satco recorded a group profit of $1.384 million for the financial year 1988-89. The corporation's financial reports are unqualified by the Auditor-General, so there has been no fancy footwork and to say so is as much a slur on the Auditor-General and his examination of the accounts as it is upon Satco. Satco has complied with all the Australian Accounting Standards in the preparation of its accounts and has reported a profit for the last financial year accordingly.

The corporation's much improved performance does reflect, as the honourable member has acknowledged, the efforts of the management and staff of Satco and, in particular, those of the corporation's Chairman, Mr Graham Higginson. The Hon. Mr Davis made reference to various aspects of the Satco operation and, as usual, his remarks were very wide of the mark. In particular, an attempt—

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —was made to compare Satco, an agency operating in a particular sector of the timber industry, with Softwood Holdings, a diverse organisation with investments and operations across the broad spectrum of the industry. For example, Softwood Holdings has significant forest resources, investments in particle board plants and a number of retail outlets of its own: Satco has minimal investment in forests, no investments in particle board plants and no retail outlets.

Another attempt to compare Satco with SEAS Sapfor was made and, again, no acknowledgment was given of its more diverse nature of operation. The honourable member then turned his attention to scrimber, berating the efforts of those who have worked tirelessly to develop commercially this sunrise industry. His comment that they have 'laboured mightily and brought forward only one piece of scrimber' is as insulting as it is inaccurate. Several beams have been produced since 20 September as the plant undergoes—

Members interjecting:

The PRESIDENT: Order! The Minister has the floor.

The Hon. BARBARA WIESE: —its commissioning phase.

This commissioning of the plant is proceeding according to the commissioning schedule, and the operation will be officially opened in November. Certainly, the cost of developing scrimber has increased, but a significant portion of this cost is directly attributable to the decision to increase the size of the plant by 50 per cent. However, a revised cash flow for the project indicates that, notwithstanding the increased investment, a real after-tax return in excess of 10 per cent will be generated over a 10-year period, a more than satisfactory return when compared with other timber industry companies.

The Hon. Mr Davis then turned his attention to the operations of IPL (New Zealand), begrudgingly acknowledging its turnaround in profit. I am sorry to disappoint the honourable member, but I am informed—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! The Hon. Mr Davis has had his opportunity.

The Hon. BARBARA WIESE: Try not to play to the gallery, Mr Davis: just listen to the speech.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! The honourable Minister.

The Hon. BARBARA WIESE: I am sorry to disappoint the honourable member, but I have been informed by my colleague—

Members interjecting:

The Hon. BARBARA WIESE: Protection is required here, Mr President. This is outrageous.

The PRESIDENT: Order! Mr Davis will come to order. The honourable Minister.

The Hon. BARBARA WIESE: I am informed by my colleague the Minister of Forests that the first quarter result for IPL (New Zealand) this financial year is a pre-interest trading profit of $A213 000, continuing the trend of significant improvement in the performance of IPL (New Zealand).

As regards the report of the select committee, the honourable member sought to portray its contents as some sort of revelation.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! There is too much audible conversation.

The Hon. BARBARA WIESE: I am informed that, at the time the report was tabled, the management of Satco and, in particular, Mr Higginson, had already acted upon many of the conclusions drawn. It is interesting to note the implied endorsement by the honourable member of Mr Higginson's actions, contrary to his criticism of him yesterday, in that the select committee brought forward no formal recommendations, only conclusions drawn from historical events. A significant improvement in all areas of Satco's trading performance was recorded in the financial year 1988-

89. The management of Satco is well aware of the continued requirement of improved performance and is determined to achieve continual improvements in profitability.

The Hon. ANNE LEVY (Minister of Local Government): I wish to give some answers that were requested by the Hon. Mr Lucas during his contribution to this debate yesterday. He mentioned 13 questions that he said were not answered by the department during the Estimates debate. The first question related to school values, and the reply is as follows:

The cost of the blue paper was $2 607. The reprint of the green discussion paper cost $1 940.32. Three thousand copies of each booklet were produced. The document 'Our Schools Values—Position Paper' was not approved for circulation because it had been the subject of inadequate consultation with school communities. The paper had been produced by the Moral Education Working Party and was a discussion paper rather than an official Education Department position reached in consultation with its clientele. Both the title and the foreword make the different status of the second document clear.

The second question referred to Curriculum Bulletin No. 1, and the reply is as follows:

The Curriculum Bulletin No. 1, produced within the curriculum directorate, was not approved for distribution on the grounds that it inadequately defined the new role and function of that directorate within the Education Department, in terms acceptable to the Director-General and Associate Director-General (Curriculum). The new role of the directorate is one of policy development, program development and performance evaluation and review, rather than hands-on management of the delivery of services—a task which in the new structure of the Education Department belongs with area and schools.

The cost of the Curriculum Bulletin was $674. The publication of the document was met from within departmental resources.

The third question referred to schools that have been or are currently being reviewed, and the reply is as follows:

The following is a list of country schools which have been reviewed or are soon to be reviewed. Reconfiguration (involving consolidation of secondary years of schooling at Lameroo as from 1990): Pinnaroo, Lameroo, Geranium.

Clustering (involving Years 11 and 12 as from 1990): Brown's Well Area and Loxton High School. Review (to be conducted during 1990): East Murray and Tintinara area schools; Minlaton Primary School; Minlaton High School; and Appila, Caltowie, Comaum, Gulnare, Mount Hill, Murray Town, Wanilla, Wharminda and Yacka rural schools.

In relation to the fourth question asked by the Hon. Mr Lucas, I am informed that a perusal of *Hansard* by officers of the department gives them no indication that the question was asked during the Estimates Committee, and consequently no reply has been prepared. The fifth question relates to 38 different committees. I am informed that the preparation of an answer to that question is proceeding, and has not yet been finalised because of the considerable amount of work involved. It is hoped that an answer will be ready in a few days, but it is presently not available.

The next question asked by the Hon. Mr Lucas refers to curriculum guarantees, and the reply is as follows:

In the 1989-90 financial year the package of measures incorporated into the curriculum guarantee is estimated to cost $6.6 million to be spent on country incentives and to provide, in primary schools, increased non-contact time, leadership positions, increased administration time and teacher librarian time.

A precise breakdown of the costs for each year thereafter until the end of the 1992-93 financial year is not possible since this may vary because of the take up rate by teachers and schools of certain components of the package. However, the cumulative net estimated cost to the end of 1990-91 financial year is $14.5 million; to the end of 1991-92, $32.5 million; and to the end of 1992-93, $54 million.

The next question relates to sick leave and the reply with which I have been provided states:

Further to the interim reply regarding sick leave the following information is provided:

(1) Total number of sick days taken—86 420.5.
(2) Number of Mondays and Fridays—22 550.0.
(3) Number of days before and after long weekends—1 649.5.

It is pointed out that the information had to be extracted from manual records and approximately 55 person days of clerical time was used in completing the task.

The next question relates to the processing of invoices in the accounts payable section of the Education Department. That question was answered in the Estimates Committee and there was no request for further information, or a suggestion that further information would be provided according to the *Hansard* report of that Committee.

The next question relates to the list of schools currently involved in negotiations or discussions about closures, amalgamations or cooperative arrangements. That information has already been provided, not as part of the responses to the Estimates Committee but as a reply to a Question on Notice in another place. The Hon. Mr Lucas also mentioned a series of questions on the number of schools that have sold or are considering sales of their land or portions of their land. I am advised that there is no record in *Hansard* that that question was asked in the Estimates Committee and, consequently, no reply has been provided.

The next question raised by the Hon. Mr Lucas related to what is known as the literacy audit. I am informed that an extensive reply was given during the Estimates Committee and that there was no request for further information beyond what was given in the reply and no indication that a further response would be provided. As a consequence, none has been prepared. The next question raised by the Hon. Mr Lucas was in fact a new question which was not dealt with in the Estimates Committee at all. The question related to an agreement between the Commonwealth and the State in relation to betterment funds. The department is happy to provide an answer to that question, but as it was asked only yesterday officers of the department certainly have not had an opportunity to prepare it for today.

As to the question relating to amendments to the Education Act with regard to zones, I am informed that this question was discussed in the Estimates Committee and that no further information was requested at that time—and so no answer has been prepared. The last question raised by the Hon. Mr Lucas was again a completely new question which was not dealt with in the Estimates Committee. It relates to the LOTE program. Again, as the question was asked only last night, the department has not had an opportunity to provide a detailed response by this evening. The officers of the department will be more than happy to provide information on this matter when they have done the necessary work, but at this stage they are unable to provide any information.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Issue and application of money.'

The Hon. R.I. LUCAS: I thank the Minister of Local Government for providing, on behalf of the Minister of Education and the Education Department, responses to some of the questions that I put during the second reading debate yesterday afternoon. Mr Chairman, I am not sure what the procedures are to be in this Chamber during the Committee stage. I indicated yesterday that a good number of the questions that I placed on record at that time were asked during the Estimates Committee in another place and that replies had been promised by 29 September.

I agree with the Minister that some of the questions I asked were new questions. The thirteenth area related to the Languages Other Than English (LOTE) program. In *Hansard* I say:

> The thirteenth area is not a specific criticism of tardiness in response, but is a development of some questions.

I am not saying that there has been tardiness in response in all the areas that I have raised. I made it quite clear that some of the questions were new. Indeed, I do not believe that it ought to be seen as a criticism of the members of this place that we have the temerity to ask questions during debate on the Appropriation Bill in this Chamber.

There is a long history of members in this Chamber asking questions in relation to the Appropriation Bill, and indeed it is the only opportunity that we have of pursuing particular items of expenditure under the Government's Appropriation Bill program. So, I certainly do not resile from asking those questions and, indeed, repeating certain questions that were asked in another place. Just because a question was asked in another place and no response was given and that particular matter is not pursued, frankly I find it unsatisfactory that we obtain the sort of response that the Minister read out on behalf of the Minister of Education.

There are still a number of matters that I want to pursue with the Minister and her advisers, whether that be this evening or tomorrow afternooon. I do not want to take the occasion now, as I understand Satco advisers are here to respond to questions in relation to Satco. I want the opportunity to read the responses the Minister has put into *Hansard.* I will highlight one of them in relation to the fourth area that I raised yesterday in relation to country schools. I said:

> The Opposition requires a list of all the schools that do not offer at least eight publicly examined subjects and eight school assessed subjects, at the year 12 level in 1989.

I am not being critical of the Minister; she is reading material that has been provided to her. The Minister said that officers, having perused *Hansard,* stated that the question was not asked in the Estimates Committee and therefore they did not prepare a reply. I guess the inference was that they really did not think they would prepare a reply to it. There are two responses to that: one is that I put a question in this debate, and I hope that the officers would, in any course, pursue it. I would have thought that the departmental officers, when perusing the Estimates Committee, would make notes of all the questions, including that one at page 188. *Hansard* reports:

> Will the Minister elaborate on the practical intentions and perhaps, on notice, provide a list of those schools which in 1989 do not offer at least 8 PES and 8 SAS subjects?

That is pretty clear. I believe the Education Department advisers ought to be able to understand that. The questions were put in the Estimates Committee in that form. All I did yesterday was indicate that we had not yet received a response by the due date, and that we want to pursue it.

There are a number of other examples in the replies the Minister read out which I want to take up tonight or tomorrow, after we have completed Satco, where the advisers have said that they could not find the reference in *Hansard* and therefore have not provided a response to that question. I will give the *Hansard* references to the Minister to make the task easier for the Education Department advisers. I would like the opportunity to read in detail the responses that the Minister has given, because I intend to pursue a number of those items with the Minister's advisers during the Committee stage of this debate.

The Hon. L.H. DAVIS: I indicate I will now ask a series of questions relating to the Woods and Forests Department and the South Australian Timber Corporation and I will start with the former. The Auditor-General's Report for the year ended 30 June 1989 makes the observation that the department operates two divisions, sawmilling and forestry. Sawmilling operations comprise the production and marketing of sawmill products, remanufactured timber products and wood preservation products. Forestry operations comprise the management of the State's forest reserves and the harvesting and marketing of log from these plantations.

The Auditor-General makes the point on page 211 that the forestry operations recorded a profit of $53.4 million, up from $41 million last year, and that that reflected an unrealised revenue of $40.6 million. That is the controversial revaluation of the forest to which I will return shortly. The commercial operations showed a profit of $5.3 million compared with a $1 million loss last year. However, he goes on to note that those results do not take into account net unallocated expenses of $11.1 million. If one breaks down those unallocated expenses on a 50/50 basis between forestry operations and commercial operations, that would mean that the commercial operations of Woods and Forests in fact could well have operated at a loss.

My question to the Minister (and this has some bearing on projections for 1989-90 and the budget of the current year) is: first, why are not the accounts for Woods and Forests presented in a way that clearly distinguishes between the forestry operations and commercial operations as regards these net unallocated expenses? Can they be broken down 50/50, or is there some other basis? In future, in the current financial year, will an attempt be made to allocate those expenses between forestry operations and commercial operations, because I think it is important for the Parliament and the public at large, who have an interest in this matter, to be able to ascertain the results from the forestry and commercial operations?

The Hon. BARBARA WIESE: A large proportion of the unallocated costs relates to interest on loans, and it would be very difficult to allocate those sums between commercial and forestry operations. However, the greater proportion of the interest on loans would be attributable to forestry operations largely due to the re-establishment costs following the bushfires. The rest of the unallocated costs relate to corporate costs and, once again, it would be very difficult to distinguish between the commercial and forestry operations: to do so would mean making some arbitrary decisions. Finally, the unallocated costs are recorded appropriately, according to Australian accounting standards, and it is considered that the way in which such costs are recorded is therefore quite proper.

The Hon. L.H. DAVIS: There seems to be some uncertainty within the Government as to exactly how much log remains stored in Lake Bonney. In the Program Estimates we are told that one of the specific targets and objectives of the department is to utilise the remaining 50 000 cubic metres of log stored in Lake Bonney as a result of the 1983 fires. However, when we read the 1988-89 annual report of the Woods and Forests Department we see at page 30 that the department estimates that about 71 283 cubic metres

remain. The use of the words 'about 71 283 cubic metres' is rather curious; it is a fairly detailed figure. First, how much log was stored in Lake Bonney following the Ash Wednesday bushfires? What does the department believe is the balance of log remaining in Lake Bonney? I know that about 25 000 cubic metres of log has been removed in the past year: when does the department expect the removal program to be completed?

The Hon. BARBARA WIESE: It was expected that 50 000 cubic metres of log would be removed this financial year, and the estimate, based on statistics available when the log went in, is that approximately 71 000 cubic metres are still there.

The Hon. L.H. DAVIS: How much was there at the start?

The Hon. BARBARA WIESE: Appoximately half a million cubic metres.

The Hon. L.H. DAVIS: I understand that the department is about half-way through a five-year agreement with the Victorian forest operators, involving the purchase of 400 000 cubic metres of small diameter log from Victoria. Will the Minister say what effect this has had on the department's thinning program with respect to its own forests?

The Hon. BARBARA WIESE: It has had some effect on the South Australian situation, but part of this relates to trying to ensure that some long-term log is to be produced in South Australia.

The Hon. L.H. DAVIS: On page 22 of the Auditor-General's Report, the financial report on production for commercial operations, it shows that stock as at 30 June 1988 was some 33 per cent higher than in 1988. The closing stock at 30 June 1989 was some 60 000 cubic metres, which was up sharply from 45 000 cubic metres in 1988. Given the projected slowdown in the housing industry this year, that could well have a deleterious effect on the profitability for the Woods and Forests Department's commercial operation in the current year. The Minister may have to take the question on notice.

Will she indicate why there is such a sharp increase in the level of stock and give an indication of breakdown in the level of stock? In view of some indication of slowdown in the market with high interest rates and in the building industry generally, will the high stock level impact on profitability in the current year?

The Hon. BARBARA WIESE: The level of finished stock this year is lower than for the previous year. The apparent build-up in finished stock is associated with the Nangwarry plant and the refurbishment and re-equipping that is taking place there and stocks which are therefore accumulated for works in progress. I will clarify one point. The finished stock component is lower this year; or the works in progress component of stock is higher because of the work being done at Nangwarry.

The Hon. L.H. DAVIS: Looking at the financial details for 1988-89 on page 60, one sees a helpful five-year performance summary. I want to ask a question relating to this five-year performance and to project it into this current financial year, given that we are talking in this debate about the current financial year.

The first point that I want to make is that in 1987, for the first time, the Woods and Forests Department took into its profit and loss account the revaluation of the forests rather than, as has been the traditional accounting standard approach, revaluing the forests and taking it into an asset revaluation reserve in the balance sheet. I do not want to dwell on that, except to note that the Auditor-General in 1987 was strident in his criticism of it. He has been more muted in his criticism this year in the sense that he said he has referred it to accounting bodies for review, and it is currently being reviewed. I think that puts it fairly.

The valid point that I wish to make is that when talking about a net profit, in conventional terms it is useful to have somewhere in the financial statement a net trading profit so that people can understand what has been earned from the trading operations as distinct from this device of revaluing forests and taking the figure into the profit and loss statement.

The Woods and Forests Department annual report is very comprehensive, and I commend the officers on the detail which is contained in it. It is by far the most comprehensive report we have seen from the department for some time. It shows the net profit before tax, and it looks very attractive. I have done the sums and, extrapolating out the revaluation of the forests and looking at the trading result, the figures before notional tax are as follows: for the financial year 1985, $5.15 million; 1986, $5.5 million; 1987, a loss of $7 million; 1988, a loss of $1.85 million; and in 1989 a profit of $5.95 million. That is an operating profit before tax and before taking account of the revaluation. Stripping away the revaluation, which balloons the net profit considerably, the result is not all that flash. It is little better than that achieved in 1985 and 1986. In fact, it is worse in real terms if one takes account of inflation in a year when building activity has been at record levels.

As I indicated in my second reading contribution, there was a surge of profits of 115 per cent pre-tax for Softwoods and SEAS Sapfor also recorded a 61 per cent leap in revenue so, stripped of that very important element, the result is disappointing. What was the budget estimate for 1988-89 and what is the estimate for profitability in the current financial year, given that there is a demonstrable slow down in business activity? Perhaps it would be appropriate in the current financial year to ensure that the trading result is set out separately. I know that the revaluation is set out separately at the moment, but I think it would not be inappropriate to provide a trading profit before tax figure so that a better and easier comparison can be made.

The Hon. BARBARA WIESE: The budget estimate for 1988-89 was around $38 million, the actual figure was $46 million and the estimate of profitability for this year is $35 million, but I want to comment on the exercise undertaken by the honourable member when he tried to establish what he believes to be the net trading profit.

I make the point that there is a fundamental flaw in the honourable member's accounting methodology, because what he seems to have done is simply to deduct the revaluation of forests from the figure to arrive at his figure for net trading profit, but this does not take into account the re-establishment costs of Ash Wednesday, which would need to be capitalised and, therefore, would not be reflected in the profit and loss figures. The point that the honourable member made a little later is affected by the same situation.

Some of the costs of re-establishment would be offset against revaluation, so one would need a completely different accounting approach if one were to take that line.

The Hon. L.H. DAVIS: Again that highlights the dilemma people have in trying to compare results over a five-year period. The Minister has effectively admitted that it is very difficult to make comparisons on trading profit, and I think that that underlines even more the point I am making. I should like to compare oranges with oranges—or wood with wood—and, without wanting to detain the officers, I wonder whether some figures could be provided within the next few days which would give a comparative net profit before tax figure on the trading operations of the Woods and Forests Department, making the adjustments mentioned by the

Minister. Given the forecast of trading profit for the year (which the Minister has kindly provided for the current year 1989-90), will the Minister indicate the revaluation of forests element within that figure?

The Hon. BARBARA WIESE: It would be extremely difficult to estimate the figure that the honourable member is asking for because it would require an arbitrary apportionment of the overheads to which I referred earlier, and would also be dependent on an estimate of the growth of the forest this year. Some arbitrary assessments would have to be made, and that would make it a fairly useless exercise.

The point that should be made about the financial accounts and the problem to which the honourable member refers about trying to make comparisons year by year is that the methods currently being used have now been operating for the past three years, and it should therefore be possible by now for reasonable comparisons to be made.

The Hon. L.H. DAVIS: I have concluded my questions about Woods and Forests and I now turn to the operations of the South Australian Timber Corporation for this current year, reflecting on the results for the year just ended. I refer to IPL New Zealand first. Recently I noted that the redeemable preference shares on issue, which were some $11.5 million, have been renegotiated. What exactly has happened there? I ask also for information about the financial position of IPL New Zealand; has there been any improvement in the first quarter of this current financial year?

The Hon. BARBARA WIESE: I provided the first quarter's financial results to the honourable member during my second reading contribution. Since he appears not to have been listening, I will repeat it. During the first quarter IPL New Zealand made a pre-interest trading profit—

The Hon. L.H. Davis: The laughs of your backbenchers drained out the information.

The Hon. BARBARA WIESE: It may have had something to do with your shrieking, I think. The pre-interest trading profit for the first quarter was $A213 000. In relation to the redeemable preference shares there was an issue of $NZ15 million, which was repaid on 3 October. There was a further issue of $34 million on the same day, and the balance of the proceeds (that is, $18 million) was reinvested.

The Hon. L.H. DAVIS: As I mentioned in my second reading speech, there has been a move to privatise the New Zealand Forests Corporation's softwood forests, and tenders are being called seeking potential investors in those forests. Will Woods and Forests and/or Satco be bidding for any portion of that forest? Secondly, in any event, are there any contracts in place to secure future supplies of timber for the Greymouth mill in the event of privatisation of New Zealand Forests taking place soon?

The Hon. BARBARA WIESE: The answer to the first question is 'No'. In reply to the second question, IPL (NZ) Ltd holds log supply contracts with Timberlands with firm prices to June 1990. The renegotiation of supply volumes and prices beyond that time will take place early next year. Continuity of supply, given a change in ownership of the New Zealand South Island forest resource, is a matter being discussed with the New Zealand Government at present.

There are more than 20 processors in the South Island ranging in size from very large to small mills who are dependent upon Government forests. Sale of forests by the Government without regard to these operators' supply needs is an extremely remote possibility.

The Hon. L.H. DAVIS: I have made inquiries in New Zealand and in the timber industry in Australia, and the general view is that, if privatisation proceeds (and there is a public intention to proceed down that path) many of the potential bidders will use timber for their own needs and it is most unlikely that the price of timber will be cheaper. In fact, it may be more expensive and that may be detrimental to the Greymouth operation. I am suggesting that privatisation is creating yet another hurdle for the Greymouth operation to jump. It does create some uncertainty and difficulty.

The Hon. BARBARA WIESE: The honourable member has suggested that should privatisation take place there might be some increase in timber prices which could make it more expensive for the Greymouth operation. It would have to be acknowledged that that is a possibility, but it is important to remember that if prices rise for the Greymouth operation they will also rise for other processes.

One would expect, therefore, that market prices for product would reflect that increase. The Greymouth operation would be affected in a similar sort of way to everyone else in the market.

The Hon. L.H. DAVIS: Certainly that would be everyone else in the New Zealand market. However, it is stated at page 6 of Satco's annual report:

> The trading performance of IPL (New Zealand) Limited remains substantially dependent upon export sales to Australia.

If there is an increase in the cost of product that will, of course, make it harder to compete in the Australian market. What is the level of export sales out of New Zealand and to what extent are those export sales profitable? It is quite clear from the select committee evidence that, whilst levels of export sales may have been as high as 30 per cent, at times they were clearly not profitable.

The Hon. BARBARA WIESE: I assume that the honourable member is referring to IPL's export sales out of New Zealand. Originally, a target of some 6 000 cubic metres was to be sold. During the past month, largely as a result of the downturn in the building industry, the level has been revised downward to 4 000 cubic metres. In respect of the extent of profitability, I refer to the first quarter result which reflects that these sales are profitable. Because we have been able to lift the output in the mill by some 50 per cent, production costs have fallen compared to the period during which the select committee considered this question. At present rates, it is expected that sales to Australia will provide a very useful profit margin.

The Hon. L.H. DAVIS: In 1988-89, the very small operating profit of IPL(NZ) of $10 000 in fact became a loss of $1 million after taking into account the dividend payments and interest earnings in relation to the preference share issue. What is the forecast for the current year using a similar basis?

The Hon. BARBARA WIESE: The 1989-90 forecast is that it will break even after dividend payments. In other words, income from trading together with abnormal interest is expected to meet in full the dividend payments.

The Hon. L.H. DAVIS: In 1989 the Mount Gambier pine industries division had a marginal reduction in its profitability of just over $500 000 compared with nearly $700 000 in 1988. What is the expectation for the current year? Of course, it is noted that price competition caused a decline in profits. What is the forecast for 1990? The annual report indicates that as at 30 June it was to be a stable earning rate. Has that been revised in any way?

The Hon. BARBARA WIESE: The budget for the current year provides for a profit of $575 000.

The Hon. L.H. DAVIS: Shepherdson and Mewett is finally getting the sawmill, which was in fact bought 2½ years ago, in May 1987. When Shepherdson and Mewett's sawmill was bought it was going to cost about $2.2 million for the purchase and installation (that figure was contained in the select committee report). Now we are advised in the Aud-

itor-General's Report that Shepherdson and Mewett will re-equip the Williamstown sawmill at an estimated cost of $3.8 million. That is an extraordinary escalation in cost. Obviously it reflects holding charges. What has been the cost of storage of that equipment? Why is this sawmill going ahead, given that one of the directors at the time gave evidence to the select committee that he did not believe that the sawmill at Williamstown was economic?

The Hon. BARBARA WIESE: With respect to the holding charges to which the honourable member has referred, we do not have that information with us, so I will take the question on notice and supply the answer later. With respect to the viability of the operation, I can indicate that early projections were based on a log intake of about 20 000 cubic metres per annum. The current estimates reflect a log intake of about 32 500 cubic metres per annum, so that has changed the economics. It has obviously increased the capital cost but it has also improved the return.

The Hon. L.H. DAVIS: I accept that some disruption is caused by the installation and commissioning of the 'new secondhand' sawmill, but what is the projected result for Shepherdson and Mewett for the current financial year?

The Hon. BARBARA WIESE: The current projection is a profit of $75 000.

The Hon. L.H. DAVIS: Of course, the Victorian branch is the agent for the sawmill and building products of the Woods and Forests Department. A New South Wales branch will be established, principally I understand, to sell scrimber products which, of course, are coming on-stream in the near future. Why is a branch being opened specifically to sell scrimber? Why is it not being sold through private channels? For example, if scrimber does prove to be popular, who will market it in, say, Queensland, where there is a great deal of building activity, and in Western Australia?

The Hon. BARBARA WIESE: A branch, which is being opened in Sydney, will essentially be a wholesale operation selling to merchants and end users. Consequently, it was necessary for either scrimber or the corporation to establish a wholesale facility in Sydney, as it will be scrimber's most significant market. Scrimber will be competing against imported Oregon, and the largest quantities of imported Oregon go to the Sydney market. That is the reason for the opening of the branch office in Sydney. Scrimber will be marketed very differently from sawn timber, which is sold, in the main, to merchants. Scrimber will be sold to end users as well as to merchants to obtain the best possible revenue return for the manufacturer.

As to the Queensland and Western Australian markets, we will of course be selling in those markets but, due to the size considerations that need to be taken into account in those markets, it has been decided in Queensland to appoint an agent to sell the product, and at the moment options are being reviewed as far as the Western Australian market is concerned.

The Hon. L.H. DAVIS: What is the expected group profit for the Victorian branch of Satco and the soon to be re-established New South Wales branch?

The Hon. BARBARA WIESE: We do not have the budgeted figures here, but for Victoria it is estimated to be approximately $600 000 profit this year and for New South Wales approximately $150 000 profit.

The Hon. L.H. DAVIS: I turn now to the other arm of IPL—the Nangwarry operation of LVL and plywood. I want to clear up a point that was never followed through in any great depth in the select committee. I refer to the plans to build a plywood-bodied British designed car called Africar. In November 1986 the world was told by Mr Geoffrey Sanderson, who was IPL's Chief Executive Officer, that plans to produce a radical new plywood-bodied car in the South-East of South Australia were at an advanced stage. He said that they were planning to build up to 5 000 cars with all wooden body and chassis to be built each year in South Australia. The projected cost was not available. Then in March—this was only 2½ years ago—there was a further article on it. It was revealed that the vehicle was to be built at Nangwarry in the South-East or at Murray Bridge, and Mr Sanderson said that the final choice had not been made. The article states:

> The body and chassis is made from plywood-reinforced plastic, using modern chemical bonding techniques. Structural foam is also used as well as steel and aluminium-reinforced laminates, with separate steel sub-frames ... the vehicle has been tested in ... the jungles and deserts of the developing countries. We are now on the verge of presenting ourselves to the world, Mr Howarth says.

Mr Howarth was the designer of the vehicle. The idea was that the pinus radiata plywood of Nangwarry would be used in this expected production of more than 5 000 cars. Tests of the plywood had consistently exceeded the stated requirements of the Africar's makers. The product was a super-strong plywood capable of taking great stress loading. After the car body and chassis had been built, the whole assembly would be soaked in an epoxy resin to give added strength, said Mr Sanderson.

All those reports occurred between November 1986 and March 1987. Even though this is in the reaches of history, in the next few days can we be provided with the total cost of this project and told what has happened to Africar, because it seems to have faded from sight?

The Hon. BARBARA WIESE: I do not have available the total cost so far of the project. I will have to take that question on notice and provide the answer at a later date.

The Hon. L.H. Davis: In the next few days?

The Hon. BARBARA WIESE: As soon as possible. The project has been terminated apparently because the United Kingdom promoters have not been able to bring it to fruition, presumably because of the problems with the current economic climate. As far as the corporation is concerned, it was never committed beyond undertaking a review of the economics of the project but presumably, since the project is now not likely to proceed, it will not be necessary to do much more.

The Hon. L.H. DAVIS: As the Minister would well know, IPL took over the O.R. Beddison operation at Nangwarry, which essentially was an icecream stick operation and which has been upgraded to manufacture plywood and LVL. At the time that O.R. Beddison's interests were transferred over to IPL, what was the volume of log peeled by that operation and what is the volume of log now peeled?

The Hon. BARBARA WIESE: The licensed volume for O.R. Beddison was 10 000 cubic metres per annum and the current intake is approximately 43 000 cubic metres per annum.

The Hon. L.H. DAVIS: That is a sharp increase in allocation; it has almost quadrupled and, presumably, that reflects a new agreement between the Woods and Forests Department and O.R. Beddison. Will the Minister provide details of the terms of that agreement?

The Hon. BARBARA WIESE: Will the honourable member be a little more specific about what he means by 'the terms of that agreement'?

The Hon. L.H. DAVIS: Presumably, that increased allocation reflects additional timber resources coming into the Nangwarry operation through the Woods and Forests Department. Presumably, there was a renegotiated agreement subsequent to IPL's taking over the O.R. Beddison operation.

The Hon. BARBARA WIESE: The answer to that is 'Yes.'

The Hon. L.H. DAVIS: The Minister is being obtuse, with respect, because she asked me to explain the question. I asked the question, to which the Minister replied 'Yes', but the question was what were the terms of that agreement that had been entered into between the Woods and Forests Department and O.R. Beddison. The answer to that question is not really 'Yes.'

The Hon. BARBARA WIESE: When small products were being made the licence volume was 10 000 cubic metres; when it was plywood, it was 16 000 cubic metres; and for LVL it was 15 000 cubic metres. Is that what the honourable member wanted to know?

The Hon. L.H. DAVIS: Yes. The IPL operation reported a marginally better profit in the year just ended, which would have to be regarded as disappointing, given that there was very buoyant activity in the building industry (the best in recent years). The outlook for IPL indicates some growth in production of LVL in the current year, and any shortfall in sales of other panel products will be taken up by the increased production of LVL. What is the indicated profit for the current financial year, and is there an explanation as to why the result for the last year was, quite frankly, so disappointing?

The Hon. BARBARA WIESE: The lower volume of LVL produced came about because there was only one shift at the beginning of the year. That moved to two shifts in October 1988 and three shifts in early 1989, so what we have is a productivity issue. Concerning the expectations for the year, we anticipate a profit of approximately $1.2 million.

The Hon. L.H. DAVIS: I now move to the final area of activity of the South Australian Timber Corporation, that is, scrimber. When will the scrimber project come into full production? Page 5 of the annual report (dated 4 September) indicates that the plant is presently in the commissioning phase and that commercial production will commence during the third quarter of 1989, that is, by the end of September 1989. In my second reading contribution I spent some time outlining the continual delays in this project, which was originally to start in mid 1988. In fact, the select committee was told that it would commence before the end of 1988; then it was the first quarter of 1989; then it moved to the second quarter of 1989; then to the third quarter of 1989; and now we are in the last quarter of 1989. When will commercial production actually commence?

The Hon. BARBARA WIESE: I guess that that depends on what the honourable member calls commercial production. What I can indicate to him, again, is that several beams have been produced since September. The radio frequency drier is the last item of plant to be commissioned, and this is presently occurring. Once the radio frequency drier is operating to specification the plant will be progressively run up to capacity over a period of weeks, and production at an annual rate of 45 000 cubic metres is expected to be reached by February 1990. I suppose one could say that between November and February the plant will be in commercial production, reaching its capacity by February next year. That is the projection.

The Hon. L.H. DAVIS: The Minister indicated that the final commissioning of an item of plant is still to be resolved. That almost suggests that there is a problem with the radio frequency curing technique. Given that the Satco annual report (dated 4 September) said that the plant would be commissioned in the third quarter of this year, and we are now talking about the end of November—almost an 18-month delay—clearly there is a significant difficulty. Will the Minister say why there has been this continual delay?

The Hon. BARBARA WIESE: There is no problem whatsoever with the commissioning of the equipment. All the equipment other than the radio frequency drier to which I referred has been commissioned and is ready to go. This is the last piece of equipment to be commissioned. There is no problem with it, but it has to be test run. It must be cycled up progressively to ensure that the shielding equipment operates properly. This is necessary because the equipment has to be licensed and, in order to comply with the licensing requirements, a series of tests must be run. That process is now being undertaken and it is expected that it will run to schedule.

The Hon. L.H. DAVIS: My information is that problems have been encountered with the radio frequency curing technique used to speed up the curing process based on heat and time. I understand that there have been significant problems with the press. Given the importance of this operation and the extraordinary blowout in the cost of the operation, when will full commercial operation take place? The Minister has said that the radio frequency curing technique is being commissioned now, and that there are several weeks to go before that process is completed. We are looking at early November at the earliest. Is the Minister giving a categorical assurance that the scrimber plant will be fully operating, with not just one, two, three or four scrimber beams coming through for demonstration purposes, but a continuing production process? When will the scrimber plant be operating continuously?

The Hon. BARBARA WIESE: This piece of equipment was expected to take six weeks to commission. That process described is now taking place and we are about half-way through the six-week period. The process is on schedule and in about three weeks the equipment is expected to be operational. By November—

The Hon. L.H. Davis: Late November?

The Hon. BARBARA WIESE: By late November it is expected that the plant will be operating on one shift and progressively between November and February—

The Hon. L.H. Davis interjecting:

The Hon. BARBARA WIESE: Let me finish my reply and then the honourable member can ask another question if he wants to. Between November and February, which was what I told the honourable member earlier, the plant will move progressively from one shift to two shifts and three shifts and to be at expected full capacity by February 1990.

The Hon. L.H. DAVIS: How much scrimber is expected to be produced in one shift?

The Hon. BARBARA WIESE: It is expected that 15 000 cubic metres per shift year will be produced.

The Hon. L.H. DAVIS: Given that we have been advised that some scrimber has been pre-sold, obviously the Minister would be in a position to release details in respect of the price. Can the Minister give an indication of the price of standard length scrimber? Can the Minister designate the appropriate length and tell the Committee what price is expected in the scrimber market? Given that some of the production has been pre-sold, presumably the buyer would have agreed to a price.

The Hon. BARBARA WIESE: The price will become public knowledge when the product is formally launched, and details of the prices of the product will then be made available to the Hon. Mr Davis and anyone else who wants to know about them. Until that time arrives, the price negotiations that are taking place between Scrimber Corporation and its customers should remain confidential. That

is the way things stand at the moment. Once those negotiations are completed and the product is launched, the Hon. Mr Davis's thirst for knowledge will be satisfied.

The Hon. L.H. DAVIS: I am not particularly interested in the wholesale price; I would be more than satisfied to know what the expected retail price is. I am bemused that, on the one hand, the Minister can boast that the product is being pre-sold while, on the other hand, she is not prepared to advise the Committee what the price is—either wholesale or retail. It will become public knowledge sooner or later. After all, it was going to be in commercial production in the third quarter. Presumably prices had been set then. Why are they not available now?

The Hon. BARBARA WIESE: Negotiations with customers are confidential unless those customers choose to divulge the price for which they purchase the product. As I indicated at the time of the official launching of the product, a price list will be available and the standard rates will be known. As to the retail price of the product, that is something that we cannot provide information about because each seller will have his own mark-up price. The fact of the matter is that some people buying the product will on sell the product and mark it up; others will use the product to produce other products, so there will be a mixture of uses. At this point, the negotiations taking place must remain confidential but, as I indicated, it will not be very long before the honourable member will have access to the public price list when the product is launched.

The Hon. L.H. DAVIS: Is it expected that the retail price of scrimber will be cheaper than Oregon or steel?

The Hon. BARBARA WIESE: Considerable market research has been undertaken and all indications are that scrimber will be very competitively priced with Oregon. I can not provide any comparisons with steel.

The Hon. L.H. DAVIS: Is the scrimber operation expected to return a profit on investment in any of the first two or three years?

The Hon. BARBARA WIESE: The current cash flow projections suggest that the operation will break even during the first financial year and will be in profit by 1990-91.

The Hon. L.H. DAVIS: Does that take into account interest on borrowings?

The Hon. BARBARA WIESE: Those cash flow projections are pre-interest.

The Hon. L.H. DAVIS: I live in the real world where interest charges are taken into account before the bottom line is reached. I suspect that members opposite suffering under the record high interest rates of the Hawke and Bannon Labor Governments also recognise that, ultimately, interest does affect the bottom line. Having made a political observation, I ask what is the expected result in each of the first three years after interest charges have been taken into account?

The Hon. BARBARA WIESE: I do not have those figures with me at the moment, but those projections were made available to the select committee. The honourable member would no doubt have them among his souvenirs. However, if his files are not sufficiently clear, I can provide that information if he would like me to.

The Hon. L.H. DAVIS: Gilbert and Sullivan just would not be in this act because, when the select committee reported in mid-April, on figures provided to it by Satco just a few days earlier, the projections indicated that the final all-up cost of the scrimber operation would be $34 million.

Yet, 2½ months later, at 30 June 1989, that cost had blown out to $42.4 million. That was a $9 million blow-out in the space of 2½ months. I am quite entitled to ask that question because the projections we were given in April are rendered quite useless because of the extraordinary increase in the cost of the scrimber operation. I would be pleased if the Minister overnight could provide the estimated after interest and all other expense bottom line figures for the scrimber operation in each of the first three years. Secondly, will the Minister explain the reason for the extraordinary blow-out? The committee was assured that the final cost of the scrimber operation was $34 million in April 1989, yet we are advised that it is now some $44 million—a $10 million blow-out.

Will the Minister advise whether $44 million is the final figure? The Hon. Robert Lucas has corrected my observation; I was taking the figure provided by the Auditor-General in his report of 30 June, when he said that the 50 per cent share in scrimber by Satco was now $21.2 million. As I note in the Satco annual report recently tabled, that figure had blown out to $22.1 million. So, it is a movable feast. Will the Minister advise whether that is the guaranteed final cost? I suspect the answer to that, given the two-month delay in commissioning the plant, is 'No'—I will put money on that.

The Hon. BARBARA WIESE: A review of final project costs was completed towards the end of the last financial year and the total outlays, including development costs of $7.8 million, plant and equipment of $35 million and working capital of $1.1 million required in the first year of operation, are estimated to total $44.2 million. The increase in estimated outlays since August 1988 has arisen—

The Hon. L.H. Davis: You are reading the annual report.

The Hon. BARBARA WIESE: No, I am not—from price movements, increased scope of the work and prolongation claims. The corporation's contribution to project costs will be $22.1 million. A revised cash flow projection indicates that this investment will generate a real after-tax rate of return in excess of 10 per cent over a 10-year period. For this purpose, the cost of plant included interest at the rate of 15 per cent per annum during the construction phase.

The Hon. L.H. Davis interjecting:

The Hon. BARBARA WIESE: If you have the replies, why do you ask the questions?

The Hon. L.H. DAVIS: The Minister has missed the point totally. I have simply asked two questions which have not been answered. First, why was there a $10 million blowout between the cost that was given to the select committee in mid-April and 30 June? She has not explained that. Secondly, what is the final cost for the scrimber project given that there have been further overruns since the end of the financial year? Clearly, the cost, including rolled-up capitalised interest, will be in excess of $44 million. What is the final figure?

The Hon. BARBARA WIESE: I gave this response because this is the current projection. If there had been a different projection I would probably have been able to give it. It is expected that these figures, which were presented or prepared towards the end of the last financial year, will apply.

As to the increase in estimated outlays since August 1988, to which the honourable member referred, I have already indicated that they arose from price movements, increased scope of the work and prolongation claims.

The Hon. L.H. Davis: With respect, you have not answered the question. The select committee—

The CHAIRMAN: Order! The Hon. Mr Davis will stand up.

The Hon. L.H. DAVIS: The select committee was advised by Satco of the final figures in mid-April. We deliberately went back and got final details of all key items, and $34 million was given to us in mid-April. It is extraordinary that in 2½ months the cost of the project should have blown

out by $10 million. The Minister cannot answer it in the way that she has done. That does not occur in 2½ months. I stand by that statement. It is an amazing and remarkable figure. The $10 million blow-out remains unexplained.

The CHAIRMAN: No further questions?

The Hon. L.H. DAVIS: I can understand why there is no further answer. I have one additional question. In the mass of publicity that has been associated with scrimber, it has been argued that the scrimber project allows greater utilisation of forest material, the use of thinnings and immature trees. I understand that it is much more selective than we have been led to believe. In fact, one cannot just use pulp log. One has to be highly selective in the timber for the scrimber operation. The timber has to be straight and of a certain circumference. One has to be very careful to get the right timber to ensure that it can be fed into the scrimber operation. Will the Minister confirm the accuracy of that comment?

The Hon. BARBARA WIESE: The honourable member's assumption is not correct. The specification of log for scrimber is relatively flexible in that it requires material from 70 mm to 170 mm in diameter of a fixed length but, to the best of my knowledge, there is no rigid requirement about straightness. It is material essentially sourced from first thinnings of the forest, and the only other requirement relates to moisture content. Dry material tends to be brittle and does not crush appropriately for scrimming.

The Hon. L.H. DAVIS: Will the Minister undertake to provide tomorrow the projected after interest profits for the scrimber operation in this part year and in the subsequent two years of full operations, taking into account all expenses? I think it is appropriate that that question be asked because the projections that were given in good faith to the select committee are simply not relevant, given the $10 million blow-out. I do not think that there will be any great difficulty in obtaining that information, and I would appreciate an answer tomorrow.

The Hon. BARBARA WIESE: I will have to take the honourable member's question on notice, obviously, and attempt to comply with his request by tomorrow. That is a matter I will have to discuss with the Minister and, if it is possible, I will do it.

The Hon. L.H. DAVIS: I want to thank the officers for their courtesy and cooperation; it has been appreciated.

Progress reported; Committee to sit again.

SOIL CONSERVATION AND LAND CARE BILL

In Committee.

(Continued from 17 October. Page 1168.)

Clause 42—'Enforcement of soil conservation orders.'

The Hon. K.T. GRIFFIN: I move:

Page 17, lines 11 to 17—Leave out subclause (1) and insert subclauses as follows:

(1) A person who contravenes or fails to comply with a soil conservation order is guilty of an offence.

Penalty: Division 4 fine.

(1a) If a board is satisfied that a person has contravened or failed to comply with a soil conservation order, the board may cause such work to be carried out on the land referred to in the order as full compliance with the order may require.

This amendment picks up the issue raised by the Hon. Mr Elliott, which was echoed by the Minister, when I was seeking to remove from the board the power to impose a fine. I conceded that my amendment was inadequate in addressing that issue. The amendment I was seeking to move yesterday only sought to remove the power of the board to impose a fine and did not address the important question of what happens if a landowner did not comply with a soil conservation order and, ultimately, prosecution was the only course to follow.

This amendment overcomes the problem, in my view, and, if such an offence were to be dealt with by the courts where all the rules of procedure, evidence and rights of representation are well established, I think it would satisfy the inadequacy that was raised yesterday when the clause was first before us.

The Hon. BARBARA WIESE: I am satisfied that this revised amendment addresses my concern, and I support it.

Amendment carried.

The Hon. K.T. GRIFFIN: I move:

Page 17, lines 18 and 19—Leave out '(1) *(b)*' and insert '(1a)'.

This amendment is consequential.

The Hon. BARBARA WIESE: The Government supports the amendment.

Amendment carried; clause as amended passed.

Schedule and title passed.

Bill recommitted.

Clause 3—'Interpretation'—reconsidered.

The Hon. BARBARA WIESE: I move:

Page 1, line 27—Leave out 'human activities' and insert 'overgrazing, excessive tillage, overclearing, mineral extraction, development of towns, disposal of wastes, road construction, failure to control plant and animal pests or any other human activity'.

The Committee will recall that during the debate there was some discussion about an appropriate definition of 'degradation' and an amendment was adopted, although it was recognised that that definition was not entirely satisfactory. Subsequently, further discussion has taken place and the amendment is consistent with the definition of 'degradation' which applies in the National Glossary of Terms and the National Soil Conservation Strategy. The amendment addresses the concerns expressed by members during the debate.

The Hon. M.J. ELLIOTT: Most definitely, the definition of 'degradation' is absolutely crucial to whether or not the Bill has any chance of working. I expressed reservations earlier in Committee that the definition initially in the Bill left to interpretation whether or not activity was human activity. The classic example was the control of pest animals and pest plants. Some people argued that damage caused by a pest was not human activity. It was certainly intended that human activity would control pests. The new definition clearly defines what is degradation, for what people are responsible and it gives the Bill a much better chance of working than it would have had otherwise.

The Hon. PETER DUNN: We came to this point as the result of my amendment. The definition takes out 'human activities' and then explains in some detail what such activity is. I return to the case that I last presented and the reference to 'overclearing' because one day there could be conflict with the Native Vegetation Act, because of the reference to 'clearing'. Reference is also made to mineral extraction. An amendment was made to the Bill and, although I cannot find it now, there is reference to the Mining Act. Would the amendment cut across that by naming mineral extraction as degradation? Will the Minister seek advice on that?

The Hon. BARBARA WIESE: My advice is that it does not.

The Hon. PETER DUNN: Well, thank you very much. I hope I can recall that if I have to; but as far as I am concerned it is fine.

Amendment carried; clause as amended passed.

Clause 9—'The Soil Conservation and Land Care Fund'—reconsidered.

The Hon. K.T. GRIFFIN: I move:

Page 3, line 9—Leave out paragraph *(a)*.

It was intended that this amendment be consequential upon amendments to clause 42. That clause has now been amended, but I inadvertently overlooked moving an amendment that I had on file to delete from clause 42 the provision that fines imposed by a board are payable by the board into the fund. I want to remove that provision and so I will have to ask the Minister to recommit the Bill for the purpose of doing that, after progress is reported. I apologise for having overlooked this matter. This amendment to clause 9 is consequential.

The Hon. BARBARA WIESE: I agree with the honourable member's assessment of where things are up to, and I am agreeable to recommitting the Bill for further consideration of clause 42 at the appropriate time. At this stage I indicate the Government's support for the amendment now before the Committee.

Amendment carried; clause as amended passed.

Clause 51—'Right of Appeal'—reconsidered.

The Hon. K.T. GRIFFIN: I move:

Page 21, line 8—Leave out 'to impose a fine on the landowner or'.

Again, this is consequential on an amendment already made to clause 42.

Amendment carried; clause as amended passed.

Bill recommitted.

Clause 42—'Enforcement of soil conservation orders'—reconsidered.

The Hon. K.T. GRIFFIN: I move:

Page 17, lines 25 to 28—Leave out subsection (3).

This amendment is consequential upon an amendment made earlier to remove from the boards the power to impose fines and to create an offence.

Amendment carried; clause as amended passed.

Bill read a third time and passed.

WHEAT MARKETING BILL

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

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

That this Bill be now read a second time.

The Commonwealth Wheat Marketing Act 1989 was assented to on 15 June 1989. That Act contains provisions to retain the export monopoly of the Australian Wheat Board, but to open up more choice for growers by deregulating the domestic wheat market. The Commonwealth has introduced a range of measures to extend the board's commercial powers and flexibility to ensure that it will be able to compete effectively in a deregulated market. While the Commonwealth has the legislative power to make laws regarding export and interstate trade in wheat, it does not have powers over intrastate trade. To enable the Australian Wheat Board to trade intrastate, complementary State legislation is required. The Wheat Marketing Bill 1989 provides that complementarity in South Australia.

While the Wheat Marketing Bill 1989 gives the Australian Wheat Board the power to trade intrastate in grain other than wheat to the extent that doing so promotes an objective of the board, barley and oats are expressly excluded. These grains are marketed by the Australian Barley Board. The Wheat Marketing Bill 1989 also makes provision for the continued collection in South Australia of a voluntary research levy. The Bill provides that all moneys collected by this voluntary levy must be expended in South Australia.

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

Leave granted.

Explanation of Clauses

Clause 1 is formal.

Clause 2 provides that the measure is to come into operation on a day to be fixed by proclamation.

Clause 3 sets out definitions of terms used in the measure. By the definition of 'grain', barley and oats are excluded from the functions and powers conferred on the Australian Wheat Board under the measure.

Clause 4 provides that the Australian Wheat Board is to have the following functions in addition to those conferred on it under the Wheat Marketing Act 1989 of the Commonwealth:

(a) to trade in wheat and wheat products;

(b) to make arrangements for the growing of wheat for the purpose of trading in wheat;

(c) to promote, fund or undertake research into matters related to the marketing of wheat or wheat products;

(d) to trade in grain (other than wheat) and grain products to the extent that trading in such grain or grain products will promote an object of the board under the Commonwealth Act;

(e) to make arrangements for the growing of grain (other than wheat) for the purposes of trading in such grain;

and

(f) such other functions as are conferred on the board by a law of the State.

With the qualification that barley and oats are excluded, the clause confers on the board functions in relation to intrastate trade that correspond to its functions under the Commonwealth Act in relation to interstate and export trade.

Clause 5 confers on the board powers in relation to its functions under this measure that correspond to its powers under the Commonwealth Act.

Clause 6 authorises the Commonwealth Minister to give directions to the board in relation to its functions and powers under this measure in the same way as is authorised under the Commonwealth Act.

Clause 7 provides for delegation by the board.

Clause 8 provides for the application of certain provisions of the Commonwealth Act, namely, those in Divisions 2 and 3 of Part 4 of the Commonwealth Act (relating to purchase of wheat by the board, wheat pools and payments for wheat) and section 74 of that Act (conferring further powers on the board relating to futures contracts and other financial transactions).

Clause 9 corresponds to provisions found in section 20 of the present Wheat Marketing Act 1984. The clause provides that payment by the board in good faith of money payable under the measure to the person appearing to the board to be entitled to the money discharges the board from further liability. The clause also provides that an assignment of money payable by the board in respect of wheat purchased by it is voidable by the board unless it is a registered crop lien, in which case it is so voidable unless written notice of registration of the lien has been given to the board by the holder of the lien.

Clause 10 corresponds to section 22a of the present Wheat Marketing Act and continues the current scheme for deductions to be made from the price payable for wheat sold in the State and for payment of that money into the Wheat

Research Trust Fund under the Rural Industries Research Act 1985 of the Commonwealth. As under the current provisions, money so deducted may be claimed back from the Minister by the person otherwise entitled to it by serving notice in writing on the Minister during March in the season in which the wheat was harvested. Provision is made to allow purchasers, or purchases, of wheat of a class prescribed by regulation to be excluded from the application of those provisions. It is intended that smaller wheat transactions will be exempted by that means.

Clause 11 provides for the repeal of the present Wheat Marketing Act 1984 and contains necessary transitional provisions.

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

MOTOR VEHICLES ACT AMENDMENT BILL (No. 5)

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

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

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

The purpose of this Bill is to enable the introduction of a heavy commercial trailer fee of $150. The adoption of the $150 heavy commercial trailer fee was announced on 1 August 1989 as part of a package of proposals relating to heavy vehicles to make South Australian roads safer, specifically to require heavy vehicles to pay a fair share of the costs of road wear.

The Australian Transport Advisory Council (ATAC), the State and Commonwealth Transport Minister's forum, initially discussed a proposal from the Commonwealth recommending the introduction of a $400 heavy commercial trailer fee, subsequently agreeing on $250. The South Australian Government has agreed on an interim charge of $150 as a means of lessening the impact on industry. The impact of this charge on the transport industry will be monitored, with an assessment made prior to any consideration of the introduction of the ATAC agreed $250 fee.

There are good grounds for introducing the heavy commercial trailer charge. Under the current fee structure large operators, such as freight forwarders, who register few prime movers but a large number of trailers bear a proportionately lower registration charge, given that the current scheme directs the charge mainly towards the prime mover. Consequently, independent owner operators who do not own trailers, but tow trailers for freight forwarders, bear the greater bulk (if not all) of the registration fee, a burden many consider inequitable.

The ATAC agreed $250 minimum fee is seen by many as itself only an interim fee. There are good grounds for suggesting that the bulk of the registration fee should be on the trailer, as it is the loaded trailer which substantially contributes to road wear. Adoption of a national minimum heavy commercial trailer charge should also assist in overcoming the current practice of operators shopping around between States for the cheapest rates.

At $33, South Australia currently has by far the lowest heavy commercial trailer fee. Queensland, where the fee is currently $71, will be the only mainland State to have a lower heavy commercial trailer fee than the proposed fee in South Australia of $150; Queensland has agreed to adopt the $250 ATAC fee. The Victorian figure is $175, while New South Wales charges in excess of $1 000. To introduce the charge in the spirit of the ATAC resolution some consequential amendments to the Motor Vehicles Act and the Stamp Duties Act are required, a number of which will also have the benefit of improving the system of registering commercial articulated (prime mover plus trailer) vehicles in this State. The units forming an articulated vehicle will be required to be registered separately. Under the current registration system, an owner of an articulated truck must register the prime mover and trailer as a combination, that is, a prime mover cannot be registered separately. This clearly leads to complications should the owner of a prime mover not possess a semitrailer!

The question of separate registration of prime movers and trailers has been raised from time to time in this State; there is strong justification for its introduction. Other States either have, or are moving to, a system of separate registration, a system also adopted under the Federal Interstate Registration Scheme (FIRS). Separate registration is also a necessary adjunct to the establishment of vehicle standards (for example, Australian Design Rules) and the ability of authorities to positively identify all trailers.

Section 33a of the Motor Vehicles Act presently enables a trailer to be registered at no fee when towed by a nominated prime mover. This is sometimes referred to as the 'J-trailer rebate'; the 'J' relating to the relevant computer code. This trailer rebate will be abolished. The trailer rebate scheme is open to abuse, given the difficulty of ensuring that the trailer is only used in conjunction with the nominated prime mover(s). Its continuation would also cause the spirit of the ATAC resolution to be circumvented, with many operators able to effectively avoid the $150 heavy commercial trailer fee.

The majority of trailers registered in South Australia already carry their own individual compulsory third party (CTP) insurance. Under the scheme to be introduced, all trailers will be required to carry individual CTP insurance. Currently some trailers registered in combination with prime movers 'share' the CTP coverage of the prime mover. The potential exists for problems to occur should such trailers be involved in accidents where they are not attached to the nominated prime mover, for example, 'illegally' attached to another prime mover. With the current CTP trailer fee of $14, this requirement cannot be considered a burden to industry.

The new fee and stamp duty provisions will only apply to commercial trailers with a tare (unladen) weight exceeding 2.5 tonnes; a commercial trailer being defined as a trailer constructed or adapted solely or mainly for the carriage of goods. As a result, domestically used trailers should avoid the new higher charge given the relatively high 'cut-off' point (for example, a standard '6x4' two-wheel trailer would have a tare in the order of 250 kilograms) and all caravans and other types of non-commercial trailers will be exempted.

As prime movers have not hereto been registered in their own right, it will be necessary to determine a new fee schedule to apply to prime movers and, given that the direction is towards increasing heavy vehicle charges, the new prime mover fee will be equivalent on average to the fee currently applying to a rig. Operators of rigs (prime mover plus trailer) will therefore be charged an extra $150 for each trailer owned. It was considered that such operators

have been 'subsidised' for many years by paying a very low fee ($33), zero for rebated trailers. The vast majority of owners of multiple trailers will face total increased charges of much less than $2 000 per annum. Those operators only owning a prime mover (including many small independents) will generally face no increase in charge. Their relative position will improve and any future increases in trailer charges would result in further improvement in relative position.

Clauses 1 and 2 are formal.

Clause 3 amends section 5 of the Act, the interpretation provisions. The definition of 'articulated motor vehicle' is deleted. Prime movers will fall within the definition of 'motor vehicle'. The definition of 'trailer' is amended to cause semitrailers to fall within that definition. The definition of 'commercial motor vehicle' is also amended to ensure that prime movers and semitrailers constructed to carry goods continue to fall within that definition.

Clause 4 repeals section 33a of the Act which provides for the registration of semitrailers for no fee where several trailers are registered in conjunction with a single prime mover. A separate fee for each trailer will be payable on removal of section 33a.

Clause 5 is an amendment to the penalities imposed for driving an uninsured vehicle consequential to the inclusion of semitrailers within the term 'trailer'. The lesser penalty currently applicable to trailers will continue to apply except in relation to trailers that are constructed to carry goods and that have an unladen mass of more than 2.5 tonnes.

Clause 6 is a transitional provision. Separate registration of a prime mover and semitrailer will not be required until the current registration of the articulated motor vehicle expires.

Clause 7 repeals two sections of a 1978 amending Act that are not in operation but which relate to the subject matter of the measure.

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

ADJOURNMENT

At 11.25 p.m. the Council adjourned until Thursday 19 October at 2.15 p.m.