LEGISLATIVE COUNCIL

Wednesday 22 August 1990

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

MINISTERIAL STATEMENT: COUNCIL BOUNDARIES

The Hon. ANNE LEVY (Minister of Local Government): I seek leave to make a statement.

Leave granted.

The Hon. ANNE LEVY: Council amalgamations and boundary changes have been problematic for both local government and the State Government for some time. As a result of public controversy last year over the Mitcham-Happy Valley boundary change, I set in train a number of actions to review and realign our approach to structural reform in the local government sector. Today I wish to report to the Council on those reviews and to set out the basis on which we will be moving forward in this important field.

Boundary Change in South Australia

As many will recall, during the mid-1970s a royal commission inquired into local government boundaries in the State, and brought forward recommendations which would have reduced the number of councils from 137 at that time to just 72. The royal commission outlined substantial benefits from those changes both in reducing the cost and improving the quality of local government. It is now history that these changes did not proceed, largely as a result of public hostility to new arrangements being imposed from above on local communities.

There remains today a widespread recognition that many of our council boundaries are outdated and do not serve the best interests of local residents, of the local government sector, or the best interests of the State as a whole. In this era of change, of micro-economic reform in all sectors of our economy, it is vital that mechanisms exist for reform to occur where it is in the best interests of the wider community. In achieving that change, all voices need to be heard, all parties with an interest need the opportunity to make an effective input, and there needs to be a proper balance of influences on the final outcome.

The system of boundary change centres on the operations of the Local Government Advisory Commission which has been in place since 1984, has significant achievements to its name, and is widely acknowledged throughout Australia. In the controversy surrounding the Mitcham debate, it was easy to lose perspective on those achievements. Since 1984 there have been 13 boundary alterations and the amalgamation or pending amalgamation of 11 councils resulting from the recommendations of the Local Government Advisory Commission. Currently there are amalgamation proposals before the commission involving a further 14 councils. The commission will also be responsible for having altered the ward boundaries and elected composition of 90 of the current 121 councils when councils next go to the polls in 1991.

In altering council boundaries, the broader interests of local government as a sphere of Government with significant and expanding responsibilities, and the interests of the State economy, over which local government exercises an important influence, can be in conflict with the immediate desires of council electors. The 1984 system was designed to balance these interests, acknowledging that broader interests need to be recognised, whilst also recognising that council electors must have a say and must exercise due influence. A system which is solely based on broader interests (and the 1970s royal commission might be seen as an example) is likely to run foul of elector antagonism, and may ignore important local factors.

On the other hand, a system based on local issues alone, to the exclusion of broader factors, is likely to see our local government system become moribund, to impose unnecessary costs on ratepayers, and to compromise the economic competitiveness of our State. A balance of interests needs to be struck.

There is no question in my mind that, despite the impressive achievements in boundary change since 1984, our system fell short when it was applied, for the first significant time, to metropolitan council boundaries. The public controversy which arose over the alteration to the Mitcham council boundary was essentially saying that the legitimate interests and desires of those directly affected—the electors and ratepayers—had not been properly protected. Electors' views had not been determined or, to the extent that they were, had not been accorded sufficient influence. These claims were widespread and made with a strength that demonstrated that our system had fallen short. It was clear that we had not yet achieved the balance of interests which was appropriate.

As a consequence, I referred a new proposal to the advisory commission for the retention of the existing Mitcham and Happy Valley boundaries. That proposal was, as all members know, ultimately successful. I further established the committee of review, with a brief to review and make recommendations for alterations in current boundary change procedures and practice.

Committee of Review

In establishing the committee, I was keen for local government itself to have the major responsibility for conduct of the review. I chose not to nominate a Government or departmental officer to the committee. The Department of Local Government made submissions to the review, along with all other parties. The committee was composed of representatives from the industry, had the benefit of two consultant experts in political systems and in public consultation, and was chaired by advisory commission Chair, John McElhinney, an eminent local government and planning lawyer. I understand there was spirited debate amongst committee members and the review has fulfilled my desire for the key issues to be fully aired amongst those most directly affected.

I am very pleased, therefore, to have received and to now release publicly the report of the committee of review. I seek leave to table that report.

Leave granted.

The Hon. ANNE LEVY: As members will see when they peruse the document, it is a thorough, thoughtful and comprehensive review of council boundary change arrangements. It identifies a number of problems with the current arrangements and proposes quite significant changes to them.

The committee's views and recommendations on procedures are sensible and practical. They recognise the need to balance viewpoints and for all parties to have equal opportunity to influence outcomes. I welcome and endorse the findings in this area. I have satisfied myself that the procedural changes can be achieved without legislative amendments to the Local Government Act, at least for the moment. I have formally forwarded the report to the advisory commission for its perusal, since it is the advisory commission which has ultimate responsibility for implementing the suggested new procedures. I will be meeting

with the commission within the next week to discuss the form of these new procedures and I anticipate that the commission will, very soon thereafter, be able to release detailed new procedures to councils and other interested parties. The new procedures suggested by the committee of review involve:

- a requirement for more detailed research by councils prior to proposals being submitted;
- a requirement that staff, elected members of all councils involved in the change and the public be consulted prior to proposals being lodged;
- alternative proposals being identified at an earlier stage and dealt with simultaneously to avoid protracted delays;
- the production of an interim report by the Local Government Advisory Commission (LGAC), which then becomes the basis for consultation throughout affected communities;
- a wider ability for proposals to be modified or withdrawn as a result of consultations, or negotiations, between the parties;
- the conduct of a poll of electors, together with market research at the end of the process, where desired by councils; and
- the monitoring and evaluation of boundary change, after implementation.

The committee suggests that the commission should produce more detailed guidelines for the matters to be researched and for consultation. In addition, the report advises the commission to develop a conciliation and mediation role between disputing parties so that, wherever possible, agreement is reached.

In particular, the committee was asked to examine whether electors' polls should be mandatory and/or binding in decision making. The committee had the benefit of views from a large number of councils, experts and its own research in reaching a consensus on this key issue. The committee believes that polls should continue to be available, but should not be mandatory or decisive. This is consistent with the view that directly affected electors should not be the only voice heard in reaching decisions on council boundaries. The committee's report fully sets out desirable circumstances, timing and administration of polls. It suggests, in fact, that polls be restricted to situations in which 20 per cent of electors desire a poll to be held. I have carefully considered this matter and have concluded that there should be no constraint on a council's ability to conduct a poll when it wishes to do so, provided it is conducted according to the guidelines suggested in the report.

I am very pleased with the report's recommendations and procedures. I believe they establish a framework for continued boundary change and the achievement of the many benefits of that change. But they also recognise the need for a process which involves all interested parties and encourages negotiation between those parties in the ultimate best interests of effective local government. The report has further suggestions on the composition of the LGAC and the recources available to it. Already, the Department of Local Government is examining the impact of the report's recommendations on its own functions and resources, and I am currently reviewing the supporting services available to the commission. I am confident changes in these areas will ensure that new procedures arising from the committee's report can be fully and effectively implemented.

I do not consider that immediate changes in the composition of the commission are desirable. Already substantial change has occurred in the membership since the Mitcham controversy. I support the view that local government, through the Local Government Association, could usefully have more direct input into commission membership. I will be raising this matter with the association when next we meet. I will be raising other recommendations which impact on the operations of the commission with that body directly.

I now wish to outline how proposals currently before the Local Government Advisory Commission will be dealt with, following the adoption of new procedures. I raised this matter directly with the Local Government Advisory Commission some weeks ago, and am pleased to have had the opportunity of discussing it with it recently. Given the significant changes required in the procedures, the question arises as to how those proposals commenced under the old procedures are to be finalised. Should those proposals lapse and begin again under the new arrangements, or should they be processed under the current guidelines, knowing that there are defects in those guidelines? In raising the matter with the commission, I was concerned that decisions may be taken using the old procedures which do not properly account for electors viewpoints.

In that light, I indicated that, for my part, I felt it best to apply a fairly strict test of public support to those proposals if they were to proceed under the old procedures or, alternatively, that the proposals begin again under the new procedures. This latter course of action need not involve beginning from scratch. It may, however, involve additional investigation by councils and additional consultation amongst affected parties. It certainly needs to involve the release of a draft report for comment prior to final decisions being taken. If proposals begun under the old procedures are to be finalised under the old procedures, I believe they must be able to demonstrate substantial support amongst affected parties. The Local Government Advisory Commission has yet to formally reply to my letter, but I understand it is comfortable with this approach in all but one case to which I now turn, with respect to the Henley and Grange boundaries.

In July 1989, the LGAC reported to me recommending in favour of proposals by the cities of Woodville and West Torrens to abolish the city of Henley and Grange and divide its area between the two councils. At the same time, the LGAC recommended against a proposal by Henley and Grange council for annexation of parts of Woodville and West Torrens to its area. The reports contained a minority report which argued that Henley and Grange is an effective and innovative council and should not be abolished.

At the time of the reports to me, public controversy had erupted over the creation of the city of Flinders. As a consequence, I requested further advice from the LGAC about the extent and adequacy of public consultation with regard to proposals affecting Henley and Grange and the level of public support for, or opposition to, the recommended changes. The LGAC reported to me in January 1990, and indicated that it may be desirable for further consultation to take place in regard to these changes.

Subsequently, I invited the three affected councils to a meeting at which I explained the LGAC advice and sought the councils' views on how the matter should proceed. The councils requested the opportunity to conduct campaigns to explain and promote their proposals. Subsequently, both an elector poll of the Henley and Grange community and a detailed market survey was conducted. LGAC oversaw this exercise, received the results of the poll and survey, and has now provided me with a further report.

In its report, a majority of the LGAC affirm the earlier recommendation that the proposals by Woodville and West

Torrens councils should proceed, resulting in the abolition of Henley and Grange council.

The report notes that there is clear community support for the West Torrens boundary change (with 55 per cent of voters in the poll and 45 per cent of respondents to the survey in favour of the changes). It acknowledges that only a minority of affected residents are in favour of the Woodville proposal (33 per cent of voters in the poll and 25 per cent of respondents to the survey). The majority report expresses the view, however, that there is a sufficient level of support for the changes to occur, given the benefits of those changes.

As I indicated earlier, I have previously expressed to the commission my view on how current proposals such as this should be finalised, given the sweeping changes in procedures proposed by the committee of review for future boundary changes.

The commission's report acknowledges my view, and agrees that the Woodville proposal does not enjoy the level of support favoured by me. In discussion with me, the commission expressed the view that, whilst it was comfortable with this test applying in other existing proposals, it was believed that this test should not be applied to Henley and Grange. It suggested that the consultation process undertaken since January this year was sufficiently consistent with the committee's recommendations that the proposal should not be caught by this test.

The report contains a minority report (by the Department of Local Government representative) which concludes that there is not adequate community support for the Woodville proposal to proceed. It suggests that proceeding with the proposal, despite majority opposition, may result in strong community reaction of the style, if not the strength, of the Mitcham reaction to the City of Flinders. In addition, it is suggested that to proceed is inconsistent with the recommendations of the committee of review report and the likely new procedures arising from that report. It is concerned that confidence in the new procedures would be undermined if Henley and Grange were abolished against the clear wishes of electors.

It is my view that the minority report has the more persuasive arguments, and the Government will not be implementing the boundary change recommended by the majority of the advisory commission. As a result of the Mitcham controversy, the public properly expects that resident views will have greater importance in boundary change. To proceed with a boundary change, when a majority of residents opposes it, is not consistent with that view and is out of step with committee of review recommendations. It is my view that to proceed with the recommendations would jeopardise the acceptance of, and confidence in, those new procedures.

The one area of disagreement between the commission and me on this matter is whether this single proposal should, or should not, be caught by these transitional arrangements. The commission is of the view that Henley and Grange procedures were sufficiently consistent with new procedures to proceed. It is my view that there was no community consultation in formulating the original proposals and that, had there been, the resulting proposal may have been quite different and enjoyed greater support. Our difference of view is principally about how the transition from old to new procedures should occur, not about the merits or otherwise of the proposal.

Once new procedures are in place, I have complete confidence that commission recommendations will be accepted. The test of substantial support I have chosen to apply to this proposal implies no precedent for future proposals conceived and considered under new procedures. I fully accept that each situation is different and needs to be considered on its individual merits. There will be cases in future, as there have been in the past, when the benefits of boundary change are sufficient to outweigh substantial levels of opposition to it.

As I said earlier, local government needs to play its part in our national effort to achieve a more efficient, productive and flexible economy. There have been a number of significant reforms in local government operations in recent times, and increasingly the climate of opinion within the industry favours change in historic practices and institutional arrangements. Boundary change remains a key element in, and strategy for, achieving more productive local government.

There will be some in local government, the more pessimistic perhaps, who will see the decision outlined here today as making the achievement of micro-economic reform in local government more difficult. There is no basis for such a view. The new procedures may mean councils and electors need to meet more often, negotiate more fully and take account of a larger range of issues and views than was the case in the recent past. But, against that, the processes are clear and more certain. It is my firm belief that the new procedures will achieve at least as much change in structural arrangements as did the old procedures, and will have the potential to accelerate the change process.

Our system of boundary change is based on the initiatives being taken by councils, and therefore relies on the climate of opinion within the local government sector. For some years, the Department of Local Government has been conducting research into the various aspects of boundaries, and this research has been significantly supplemented in recent times by work conducted by council's themselves. We have an increasing body of research information, and a developing debate within local government about desirable structural arrangements. Yet, I also accept the argument that the need for reform is increasingly urgent and requires a greater degree of leadership from within the industry itself.

Accordingly, I have today written to the Local Government Association, the Metropolitan Regional Organisations of Councils, professional bodies and unions proposing the establishment of a time-limited committee on structural change. The committee I propose will conduct further research on the key issues on the micro-economic reform agenda, especially in relation to boundary reform. It will promote and resource discussion within local government on these issues. The committee will be a valuable vehicle for drawing on State Government expertise, but will be led by local government. I have proposed that the costs of the program be shared between State and local government.

In proposing a committee of this kind, I want to encourage local government itself to develop a clearer picture of its desired structure and develop strategies for achieving necessary change, whilst taking proper account of the interests of all affected parties. We have a very firm base to build on, and a history of achievement unmatched in Australia to date. With increasing economic pressures on us, we need, however, to do more than just maintain the current pace. The State Government should not be, if it ever was, in a position to shoulder the responsibility for reform in local government. We have played and will continue to play our part, but the challenge is essentially with local government itself. We will continue to provide the space, contribute ideas, expertise and resources, but local government needs increasingly to provide the leadership and shoulder its share of the tough decisions.

This is an exciting new initiative, which demonstrates the State Government's continued commitment to more effective, productive and responsive local government. It is an initiative which also recognises that local government is a more mature partner in the governmental system and that reform and change can and must be led by ocal government itself.

DISTINGUISHED VISITOR

The PRESIDENT: I would like to acknowledge the presence of Mr Derek Angus, M.P., and his wife, Thelma. For the information of members, Mr Angus is the member for Wallace, the southernmost electorate of New Zealand, and he was also a delegate to the Ninth Australasian and Pacific Regional Parliamentary Seminar.

QUESTIONS

PHARMACEUTICAL BENEFITS SCHEME

The Hon. R.I. LUCAS: I seek leave to make an explanation before asking the Minister of Tourism, representing the Minister of Health, a question about the pharmaceutical benefits scheme.

Leave granted.

The Hon. R.I. LUCAS: I refer to the Federal Government's announcement in the budget last evening to increase charges under the pharmaceutical benefits scheme (PBS) and the decision to make, for the first time, pensioners pay a $2.50 fee for each scrip. I have been advised that the increase in maximum charges for general patients' scrips from $11 to $15, and the pensioner charge, has the potential to have major effects on people with limited incomes and the disadvantaged.

My office has been in contact with the Pharmacy Guild of South Australia and several pharmacists today, and their foreboding of the dire effects of the PBS changes is considerable. The estimate now is that up to 10 per cent of customers lodging scrips are caught in a quandary about whether they can afford to have them filled. Some of these people are unable to have the scrip filled, and others might only have one or two items on the scrip filled and hope to come back when they have sufficient money. But the Pharmacy Guild estimates this figure of 10 per cent could now rise to maybe 30 per cent—or nearly one in every three customers or patients—from November, when the new $15 maximum charge for scrips and $2.50 for pensioner scrips comes into effect.

The guild says that there will be further prioritising of medication; in other words, more customers will be asking their pharmacists to make judgments on which one or two items should be filled from a multi-medication scrip simply because they cannot afford to purchase all of them. Pharmacists argue that they are not qualified to make such decisions when they have limited knowledge as to why a general practitioner has prescribed certain medications. Pharmacists say that the Federal Government clearly has not thought through the changes.

At the same time the Federal Government's minimum pricing policy, where the Government subsidy is based on the lowest priced brand, hides additional costs, which the pharmacists say makes a mockery of the Prime Minister's statement on radio today, that: 'No pensioner should be worse off as a result of this PBS decision.'

Pharmacists gave my office a number of examples of seemingly identical products that have differing prices, in relation to which the customer, including pensioners, will have to pick up the gap because of the Government's minimum pricing policy. For example, Tenormin and Noten are similar drugs used in containing blood pressure in patients. Tenormin's cost is $10.98 and Noten—which the Government says is its preferred drug—is $9.10. If a general practitioner prescribes Tenormin to a pensioner—and there may be good cause for preferring that medication—the pensioner has to pick up the $1.88 charge on top of the $2.50 cost the Government has imposed. There are a number of other examples provided by the Pharmacy Guild and pharmacists in relation to that general problem. My questions are:

1. Does the Minister concede that the recently announced charges to the PBS will seriously hurt pensioners who require prescriptions?
2. Does the Minister concede that there is likely to be a large increase in the number of people on low incomes financially embarrassed by increased maximum charges for drugs prescribed under the PBS?
3. Will the Minister investigate what might be done to assist those people disadvantaged by the new policy?

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

NATIONAL CRIME AUTHORITY

The Hon. K.T. GRIFFIN: I direct my questions to the Attorney-General. Following the announcement in last night's Federal budget that the National Crime Authority is to open a permanent office in Adelaide rather than maintain the current temporary arrangement dedicated to the authority's South Australian reference, was the Attorney-General or the Premier consulted about this decision? Was it considered by the inter-governmental committee responsible for the National Crime Authority? Is the proposal in the Federal budget an indication that investigations by the authority in South Australia will be more extensive than originally contemplated and that those investigations will go beyond the matters referred to in the South Australian reference?

The Hon. C.J. SUMNER: I am not going to comment on what matters were raised at the inter-governmental committee. Apart from the announcement in the budget, I have not been involved in discussions relating to the establishment of a permanent NCA office in South Australia. However, I welcome the Federal Government's initiative. It wants the National Crime Authority now to be established in every State in Australia, except Tasmania, and it has allocated the necessary funds to enable an office to be established in all those States, and that is to have a truly national presence.

As to the South Australian reference No. 2, obviously that will continue for the time being. It is being funded by the South Australian Government to the tune of some $5 million a year, and the South Australian Government would expect the National Crime Authority to complete its work under the reference that was given to it in 1988, to examine matters within South Australia—those matters being the outstanding issues that were left over from the interim report provided by the National Crime Authority in July 1988 following inquiries in South Australia based on the South Australian reference No. 1, which also included certain other States. We would expect it to conclude its investigations into the other matters that were referred to it when the reference was established.

Obviously, the exact circumstances of the conclusion of the NCA's inquiries with respect to South Australian reference No. 2 and the establishment and funding of an NCA office in South Australia, which will perhaps have a broader national purpose, is something that will have to be the subject of further negotiations between the Commonwealth Government and the State Government.

As far as the State Government is concerned, when the inquiries into South Australian reference No. 2 are concluded by the National Crime Authority, or possibly concluded at least as far as reference No. 2 and the State Government's financial contribution is concerned, further consideration will have to be given. Some of those matters may possibly be referred on to the permanent NCA office in South Australia. The point I am making is that when the inquiries into reference No. 2 are concluded or taken over by the National Crime Authority office in South Australia with Federal funding, the South Australian Government will have to give consideration to what further measures, if any, to deal with corruption and organised crime might be necessary from the State point of view.

As the honourable member knows, an Anti-Corruption Branch has been established within the South Australian Police Force pursuant to directions that have been tabled in the Parliament. When the National Crime Authority has concluded its inquiries, or at least advanced them sufficiently to suggest that the South Australian aspect of the matter is to be wound up, then we will have to examine whether anything in addition to the Anti-Corruption Branch is necessary to continue inquiries into corruption in South Australia.

However, the fact that the National Crime Authority will be established here on a permanent basis and ultimately funded by the Federal Government means that there is probably less need for any other anti-corruption mechanism beyond that which I have mentioned, namely, the Anti-Corruption Branch. It is possible however that we will have to consider the structure of that branch and whether it needs to be changed in some way after we have received the reports from the National Crime Authority when it has concluded, or at least substantially concluded, the matters which it has pursuant to South Australian reference No. 2.

The Hon. K.T. GRIFFIN: I have a supplementary question. Is the Attorney-General able to indicate when he would expect the permanent office of the NCA to be established in South Australia under the Federal budget proposal last night?

The Hon. C.J. SUMNER: The statement from the Federal Attorney-General (Mr Duffy) says that the establishment of the offices will start in 1990-91. So, I can only say that the establishment of the South Australian office will have to be the subject of discussions with the Federal Attorney-General. That is all the statement that I have from Mr Duffy says, but I have no doubt that he will be providing us with further information on when he envisages the nationally funded NCA office in South Australia will commence.

MOUNT LOFTY TOURISM DEVELOPMENT

The Hon. DIANA LAIDLAW: I seek leave to make an explanation before asking the Minister of Tourism a question about the Mount Lofty development.

Leave granted.

The Hon. DIANA LAIDLAW: In August last year (12 months ago) the Government rejected a $55 million development proposal, incorporating a cable car and a 170 room hotel at the Mount Lofty Summit.

The Hon. M.J. Elliott: Silly idea, anyway.

The Hon. DIANA LAIDLAW: That's right, but we have heard nothing since. At the same time, the Government announced that a feasibility study would be conducted on a new scaled-down joint venture project between Mt Lofty Development Company and the Government. Initially it was envisaged this feasibility study, involving redesign work, revised costings and a reassessment of estimated patronage and revenue, would be completed in four months, with work beginning early this year at least that was the timetable according to Mr Wayne Redman of Mount Lofty Development Company.

On 3 April this year, many months after this timetable had lapsed, the Minister for Environment and Planning advised in the other place, '... that the feasibility study and plans of the revised project will be available by the end of April 1990'. To that time the Government had paid a total of $150 000 towards a consultancy fee to have the feasibility study carried out.

In relation to the Mount Lofty site, I would remind members that it is now seven years since the area was burnt out by the Ash Wednesday bushfire, and of course one year since the Government announced the feasibility study on a new scaled-down tourism development for the area. I therefore ask the Minister:

1. Did the Government receive the feasibility study and plans of the revised tourism development at Mount Lofty at the end of April this year?

2. Is it the Government's intention to release the feasibility study for public interest? If so, when and, if not, why not?

3. When, if ever, does the Government or this Minister believe that agreement will be reached on a suitable development for the Mount Lofty summit area and when will work begin?

The Hon. BARBARA WIESE: This is not a matter under ministerial responsibility; it is a matter for the Minister for Environment and Planning, who has the ownership of the Mount Lofty site on behalf of the Crown. However, my recollection of the agreement reached last year was that there would be a feasibility study prepared within five months rather than four months. I am not sure whether the feasibility study was, in fact, prepared within the given time, but I do know that considerable work has been undertaken by the proponents of the development and officers of the Government, in reaching a satisfactory position on the components of a revised development for Mount Lofty.

I remind the honourable member that the reason that there are delays in achieving a development at Mount Lofty is that the environmental impact statement that was applied to the original proposal indicated that there were some very severe environmental problems and difficulties with the original proposal—

The Hon. Diana Laidlaw: We could have told you that before the Government accepted the proposal.

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —and, quite properly, therefore, the Government took action to avoid those environmental impacts taking place and a reconsideration of the nature of the proposal had to take place.

The Hon. Diana Laidlaw: You accepted the proposal, in point of fact.

The Hon. BARBARA WIESE: We accepted the proposal, Miss Laidlaw, on the basis that there would have to be an environmental impact study.

The PRESIDENT: Order! The Minister will address her remarks through the Chair.

The Hon. BARBARA WIESE: That is a proper and appropriate means of dealing with a proposal put forward by a developer. If the honourable member has some other way of doing it, I would certainly like to know what it is. The point is that the Government undertook the appropriate procedures in dealing with this matter and, as I have indicated during these past few months considerable work has been undertaken by the proponents and the Government in achieving the outline of a development that is likely to be appropriate and in accordance with the findings of the environmental impact study. I would expect that the Government would be in a position to make a decision on this matter very soon. I am not in a position to actually put a date, a time or an hour on it, as the Hon. Miss Laidlaw would probably want me to do, but a decision will be made very shortly and if she is patient she will discover what it is.

The Hon. DIANA LAIDLAW: As a supplementary question, will the feasibility study be released for public interest?

The Hon. BARBARA WIESE: As I indicated, this is not a matter within my ministerial responsibility. I do not know whether it will be the intention to release the public document, but I shall certainly put the honourable member's suggestion to my colleague, the Minister for Environment and Planning, and I am sure she will take it into consideration.

PROTECTIVE BEHAVIOURS PROGRAM

The Hon. CAROLYN PICKLES: I seek leave to make an explanation before asking the Minister of Local Government, representing the Minister of Education, a question about the Protective Behaviours Program.

Leave granted.

The Hon. CAROLYN PICKLES: As members are aware, it is Child Protection Week this week, and an article in the *Advertiser* of Monday 20 August attacked the Protective Behaviours Program on the grounds that it was 'ineffective, that it undermines family relationships and is based on statistics that are rubbish'. The Education Department's child protection policy was issued in March this year and uses as part of its program a manual by Peg Flandreau West, a Wisconsin social worker and therapist for more than 30 years. That manual has been approved by the Protective Behaviours Association of Australia, which represents the educational psychologists and teachers using the program in Australian schools. The Peg West program points out that at least one South Australian girl in every four, and probably one in every three, will have been abused before she finishes primary school and that at least one boy in ten, perhaps one boy in eight, will also have been abused before reaching secondary school.

Of these children about 80 per cent will have been abused by parents or other adults they know and could be expected to trust. It is believed, therefore, that teachers should train children as young as two or three to confide in at least four adults outside their family circle. The program has two basic themes: first, we all have a right to feel safe all the time and secondly, nothing is so awful that we cannot talk to someone about it.

In the program, children are encouraged to discuss their fears and feelings, often indirectly, and to think of possible solutions rather than panic when faced with a problem. They are trained to recognise and rely on physical early warning signs. My question to the Minister is: has there been any monitoring of the Protective Behaviours Program and, if so, what are the results?

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

BENEFICIAL FINANCE CORPORATION

The Hon. I. GILFILLAN: I seek leave to make an explanation before asking the Attorney-General, representing the Premier, a question about Beneficial Finance Corporation.

Leave granted.

The Hon. I. GILFILLAN: Members will be aware that Beneficial Finance Corporation is a wholly owned and controlled subsidiary of the State Bank and is therefore in effect part of the body corporate of the State Bank. The financial operation and decision making process of Beneficial Finance Corporation has been under the public spotlight recently. Information recently provided to me suggested that five BFC supported projects have recently had their market value assessed downwards by more than $100 million. These are in addition to those that have previously been listed elsewhere. Two projects in Queensland involving the BFC wholly owned company, Pacific Rim Leisure, in a joint venture with Sydney based firm, Concrete Constructions, appear to have run into serious financial difficulty.

The Pier, in Cairns, Queensland, with an estimated cost of $120 million, has had its market value assessed at approximately $80 million. The Radisson Royal Palms resort at Port Douglas, an estimated $60 million project, has been reassessed to approximately $30 million. On the local scene, the new Pier development at Glenelg, a joint project between BFC and Mr Bill Sparr, currently being completed at an estimated $100 million, has had its market value set at approximately $75 million. The East End Market development, of which BFC owns a large part, and which has an estimated value of $50 million, including accrued interest, now has an approximate market value of about $35 million.

The final project is a joint venture between BFC and its parent, State Bank, with State Bank holding 80 per cent. I refer to Export Park, which is adjacent to Adelaide Airport. The cost of that project is approximately $40 million and it currently houses the National Safety Council, Sony, Air Express International, a Timesavers supermarket, Liquorland and a newsagent.

Particularly disturbing is that, while a large amount of building continues at the site, vast areas of already completed buildings stand vacant. The inaccessibility of the area to the general public means that it has already become a virtual white elephant with more than 70 per cent of the buildings empty and little prospect of the future saleability of the area. Certainly the commercial retail outlets—supermarket, liquor store and newsagent—have practically become retail graveyards. Taken overall these BFC sponsored projects have had their market values reassessed downwards by well in excess of $100 million. I ask the Premier, through the Minister:

1. Is he aware of the details I have given?
2. Are the estimated losses of market value as I have outlined approximately correct?
3. Why was there no disclosure of the activities of Pacific Rim Leisure in the Beneficial Finance Corporation and/or State Bank balance sheets?
4. Has allowance for the write-down in the market value been covered in the current BFC and State Bank balance sheets and reports?

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

FEDERAL-STATE FUNDING

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Attorney-General, as Leader of the Government in this Chamber, a question on the subject of Federal-State funding.

Leave granted.

The Hon. R.I. LUCAS: One major element of the alleged $180 million cut in Federal funds to South Australia has been a figure of $34 million for the cost of the national teachers' award to South Australia. The Premier has claimed consistently that South Australia will have to pay the total cost of the extra $34 million. For example, on 2 August 1990 in another place he said:

> It was argued at the Premiers Conference and we got nothing, other than the already-in-place agreement of the Commonwealth Government. We received not a cent; we are up for almost the full tote odds—$34 million this financial year and a lot more thereafter.

However, yesterday, the Attorney-General in his Address in Reply speech addressed the issue of increased specific purpose payments from the Commonwealth to South Australia. He said:

> Government schools will get increased grants of 4.2 per cent which will include the Commonwealth share of the national teachers' benchmark.

I emphasise that the Attorney-General said that it will include the Commonwealth share of the national teachers' benchmark. It is clear that the two statements by the Premier and the Attorney-General are in direct conflict. My question is: will the Attorney-General indicate which of these two conflicting statements, his or the Premier's, we are to accept?

The Hon. C.J. SUMNER: I do not believe that there is a conflict, but I will refer the question to the Premier and bring back a reply.

ADELAIDE SOCIAL SURVEY

The Hon. M.S. FELEPPA: I seek leave to make a brief explanation before asking the Attorney-General, representing the Premier, a question on the subject of the social survey of Adelaide.

Leave granted.

The Hon. M.S. FELEPPA: A social survey of the Adelaide metropolitan region is to be undertaken by Professor Riaz Hussan of Flinders University to find out exactly how the residents of Adelaide want their city to be shaped by the year 2020. The results of the survey will be collated and form part of the comprehensive review of the development of our city currently being undertaken. This review is the first of its kind for 28 years.

A similar review was conducted in 1962 and, now that time has passed, we can look back and see how the 1962 review influenced development and determine whether it was of any real value. My question is: will the 1962 review be brought out and dusted off so that it can be assessed, not to judge success or failure or to assign blame but to test the accuracy of any predictions, judge the degree of influence it had on development and direction, determine the value of the review as an undertaking, and determine what different approaches might be helpful in the present undertaking?

The Hon. C.J. SUMNER: I assume that the current planning review will look at what happened in 1962 and what followed from it. All I can do is undertake to refer the honourable member's question to the Premier for transmission to the review team.

COUNCIL AMALGAMATIONS

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

Leave granted.

The Hon. J.C. IRWIN: I agree with the decision announced this afternoon with respect to the Henley and Grange council, and I have done so since a poll was conducted. Yesterday, the Minister of Local Government emphatically said 'No' to my question, which asked, in part:

> Will she break her promise and announce any commission decision before a review process is complete?

That left only one course open to the Minister when she spoke today to Henley and Grange council and Woodville council. The Minister either did not understand what I asked her or chose not to understand. The review process will not be complete (that was part of my question) until legislative changes are made and the local government community has accepted the review findings, and they can then apply to amalgamation proposals. The Minister has made a mockery of the Local Government Advisory Commission over Mitcham and twice over Henley and Grange. She has swamped today's announcement in an orchestrated welter of words and paper.

It is also noted that a minority report supporting the retention of Henley and Grange has been prepared by a Commissioner who happens to be a senior officer of the Minister's department and who was appointed to the commission for the reopened commission hearing. The Minister's statement today supports that minority report. I ask:

1. How does the Minister reject the rising suspicion that there is a serious conflict of interest when a member of the commission is a senior member of her own department and there have been obvious manoeuvrings by the commission so that it can retain some sort of credibility?

2. Does she agree that she has broken a promise made to this Council yesterday regarding the decision she announced today being made before the committee review process had been implemented?

The Hon. ANNE LEVY: I certainly do not agree with either of those rhetorical statements made by the honourable member.

The Hon. J.C. Irwin: You had better read what you said yesterday.

The Hon. ANNE LEVY: The honourable member asked me yesterday whether any reports would be finalised before the committee of review—

The Hon. J.C. Irwin: You read it again. I said 'the review process'.

The Hon. ANNE LEVY: —process. I have—

Members interjecting:

The PRESIDENT: Order!

The Hon. J.C. Irwin: It includes being accepted by people other than you.

The Hon. ANNE LEVY: You have asked your question; now let me answer it.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: The committee of review has completed its task. It has presented its report, which I tabled in the Council today. The honourable member has been provided with a copy so that he can peruse it at his leisure. If any member other than the shadow Minister would care for a copy of that report, I would be only too happy to provide it.

I have discussed the findings of the committee of review with the Local Government Advisory Commission. After

all, it is for that commission to implement the procedures, not me. I have indicated that I do not think legislation is required to implement these procedures—at least not at this stage—so the old days are gone and the old procedures are now over. The report of the committee of review means that any future proposals for local government boundary changes will follow the new procedures. There is no equivocation or doubt about that at all.

It is interesting that in the first part of his question, the honourable member is complaining about the appointment of a senior officer of the Department of Local Government as a member of the Local Government Advisory Commission when he has already stated that he clearly supports the conclusion that that gentleman has come to. It strikes me as rather odd that he objects to the presence of someone on the commission when he supports his view. He is not objecting to any other member of the commission whose views he disagrees with. It strikes me as a rather odd situation, and I am sure others will enjoy the irony of that situation.

I stress that the officer of the Department of Local Government who is a member of the Local Government Advisory Commission is so in a quite separate capacity. He does not function on the advisory commission as an officer of the department, but he obviously brings his extensive knowledge and experience of local government which is very relevant to the work of the advisory commission. He certainly does not accept instructions from me in that role and, indeed, I would never think of offering them. There is no suggestion whatsoever that this officer is other than completely independent when acting as a member of the Local Government Advisory Commission, as the other members of the advisory commission are independent of the bodies who have nominated them.

The members of the advisory commission who are put there by the Local Government Association act independently of the association in reaching their conclusions and in conducting their deliberations. Likewise, the member who is appointed by the United Trades and Labor Council acts as an independent member of the commission and is not subject to direction from the United Trades and Labor Council in his considerations, deliberations or conclusions as a member of the advisory commission. It is grossly insulting, Mr President, to suggest that someone who is appointed to an advisory commission because of experience, background and knowledge in an area is incapable of acting independently as part of that commission. I am sure that all members of the commission are fully aware of their responsibilities and act quite independently in reaching their considered opinions on matters before the advisory commission.

RAIL CONCESSIONS

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister of Local Government, representing the Minister of Transport, a question about rail concessions.

Leave granted.

The Hon. T.G. ROBERTS: In the *Naracoorte Herald* of 20 August, an item appeared concerning the change of the Mount Gambier passenger train service to bus. Complementing the change, some statements were sought from public figures to record and attest to their positions on those changes. In the article, an AN spokeswoman stated that pensioners and students could still be able to claim concessions on the bus service as if it were a part of the rail service. Further, the Secretary of the ARU (John Crossing) is reported as saying, 'Those entitled to concessions on rail travel could lose that benefit with the use of buses.' I suspect that pensioners and students will be able to claim their concessions but, for clarity and to put people's minds at rest, including my own, I ask the Minister: will these concessions still apply after AN transfers passengers from the rail terminals to buses to be transported to Adelaide?

The Hon. ANNE LEVY: I will transmit that question to my colleague in another place and bring back a reply.

PESTICIDES IN SCHOOLS

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister of Local Government, representing the Minister of Education, a question in relation to the use of pesticides in schools.

Leave granted.

The Hon. M.J. ELLIOTT: I have raised this matter on a couple of occasions previously. I am sure that members will recall there was concern in 1987 about the use of aldrin at the Streaky Bay school. Following that incident, I asked questions in this place about the more general use of pesticides in schools and, more particularly, I asked what pest control programs had been used in schools over the previous four to five years and what dosage levels were involved. Although an undertaking was given that I would receive a reply, I have never received it. In any event, since then teachers and parents have come to me from time to time inquiring about the use of pesticides in a number of other schools and, most recently, I have been contacted about the use of pesticides at the Cleve Area School.

One of my correspondents tells me that Sacon has been determined to disregard health and safety guidelines and to use chemicals to try to wipe out the termite problem. This person has referred to rooms 25 and 26 in particular, where damage has occurred and where there was no termite proofing on plumbing under the building. Also, two buildings nearby caused concern. They had not been attacked by termites, but apparently, when they were installed by Sacon or whoever the precursor body was, capping was put on the outside piers on three sides but no capping against termites was put on any of the piers supporting the building, thus opening it up to termite attack.

I understand that a staff meeting was held at which a vote was taken on whether chemicals should be used at all in the school and, if so, which ones. I further understand that the result was that 19 voted for chemicals not to be used, 15 voted to use organophosphates, four voted to use aldrin and two were undecided. Quite clearly, there was very strong opposition to the use of chemicals. In any event, according to my correspondent, Sacon went ahead, against the Government's own safety guidelines for the use of such chemicals. My questions to the Minister are:

1. Will the Minister respond to the allegations that health and safety guidelines are being disregarded in the application of pesticides, particularly in relation to the Cleve Area School?

2. Will the Minister, in due course, table whatever guidelines exist for their use?

3. Will the Minister bring to this Council a reply to my question of some three years ago, when I asked for a report on the level of pesticide use in schools, including what pesticides are being and have been used in recent years, and also what compliance Education Department buildings have in regard to the regulations to prevent termites and other insects from entering the buildings?

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

COMPULSORY UNIONISM

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Attorney-General a question about compulsory unionism on Government contracts.

Leave granted.

The Hon. J.F. STEFANI: An Adelaide company involved in glass manufacturing is currently performing contract work on the Registrar of Motor Vehicles building. The employer has a policy of allowing individual employees the freedom of choosing whether or not they wish to be members of an union. Some employees of this company have chosen not to join the union which, in this case, is the Federated Furnishing Trades Society of Australasia. In recent months this union has conducted a membership drive, and members will no doubt recall that this union placed a 12-month ban on the supply of glass to an aluminium glazing company in the southern suburbs. These bans were a result of employees refusing to join the union, and it was only as a result of media attention to the matter that these bans were lifted.

In this case the same union seeks to force employees to join the Federated Furnishing Trades Society. The union has waged a campaign against this employer and has attempted to use safety issues to prevent work being carried out. On three occasions and at the request of the employer, the premises of the employer have been inspected by the Department of Labour and have been found to be in a satisfactory condition. The union has now placed site bans on its members handling glass prepared by this company, saying that non-union members have been involved in the preparation of the glass.

The union has further stated that the company is in breach of a Government policy which requires that all work performed on Government contracts must be performed by union labour. It has been suggested to me that it would appear that the Government is using a policy that supports the union agenda of compulsory unionism. Additionally, it has been suggested that, as a consequence, the Government's policy appears to be in restriction of trade or competitiveness of this company, which would, in itself, be a breach of the Trade Practices Act. My questions to the Attorney-General are:

1. Does the Government support compulsory unionism?
2. Does the Government have a policy of requiring all work performed on Government contracts to be performed by union labour exclusively, as indicated by the contract documents that I have in my possession?
3. Does the Government concede that, by exercising a policy of compulsory unionism with regard to the Government contracts, it is in breach of the provisions of the Trade Practices Act and, in particular, section 45D?

The Hon. C.J. SUMNER: The answer to the first question is that the Government has a policy of preference for unionists; the answer to the second question is 'Yes'; and the answer to the third question is 'No'. If the honourable member believes that to be the case, then I suggest that he examine the matter for himself.

TREE DEPOT

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister of Local Government, representing the Minister for Environment and Planning, a question about the establishment of a tree depot in the Port Pirie area.

Leave granted.

The Hon. PETER DUNN: Yesterday, the Port Pirie local news reported that there is to be a centre for the growing and selling of trees in the Port Pirie area. This will be under the guidance of the Department of Environment and Planning and, I presume, the Woods and Forests Department. The background is that the retreeing was part of the process to help remove lead from the area. We agree with that, but I have some questions, which are as follows:

1. Did the Minister endeavor to use locally established garden shops to provide those trees?
2. Has the Government made any moves to assist local tree propagators and resellers in raising their ability to supply the perceived local market?
3. What is the cost of providing the tree propagation project at Port Pirie?
4. Will the Minister investigate the applicability of using local suppliers to provide the requirements of trees for the Port Pirie area?

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

WATER METERS

The Hon. J.C. BURDETT: I understand that the Minister of Local Government has an answer to the question I asked on 2 August concerning water meters, and I ask if she will give the reply.

The Hon. ANNE LEVY: Yes. My colleague, the Minister of Water Resources, has advised that regions in which wells are proclaimed under the Water Resources Act 1990 have water monitored either by metering or the so-called irrigation equivalent system. In the South-East the irrigation equivalent system is used for monitoring irrigation usage, and there are no plans to adopt metering for this purpose. However, in some individual cases, the circumstances may warrant use of meters in place of the irrigation equivalent system, although no specific instance has yet arisen.

It is not intended that bores used primarily for stock watering in pastoral or agricultural areas will be metered. However, it must be appreciated that it is necessary to retain the appropriate powers under the regulations of the Water Resources Act should it become necessary to impose tighter controls at some time in the future. Such controls may be necessary, for instance, in the event of a massive intensification of irrigation use in a particular area, or a sudden and unexplained deterioration in a ground water basin resulting in reduced flows or quality problems.

FEDERAL-STATE FUNDING

The Hon. R.I. LUCAS: My question is directed to the Attorney-General as Leader of the Government in the Council. Now that the Federal budget has been delivered and the latest data is available, does the Attorney-General still believe that $180 million is the most accurate estimate of the effects on the State budget of real term cuts in Commonwealth financial assistance and the impact of Commonwealth decisions?

The Hon. C.J. SUMNER: I understand that to be the position. Since the budget came out I have not studied the figures personally, but that is the figure that has been referred to by the Premier. As I have indicated, the Premier felt that that in fact might be a conservative estimate of the effects

on the States of the Federal budget and the Premiers Conference. No doubt, if the situation is any different, the honourable member can explore it during the budget debate.

MOTOR VEHICLE REGISTRATIONS

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister of Local Government, representing the Minister of Transport, a question about motor vehicle registrations.

Leave granted.

The Hon. DIANA LAIDLAW: On a monthly basis, the company Paxus collects information from Motor Vehicle Registration Divisions within each State and Territory to compile the important monthly returns on vehicle registrations Australia-wide. Such figures are deemed to be important for Governments in assessing economic trends in a particular State or Territory, or the country as a whole. Also, companies that manufacture cars or supply vehicle parts, for instance, seatbelts and the like, consider the figures to be vital information for the forecasting of budgets and estimating the size of future production volumes.

I am advised today, however, that Paxus has not received the South Australian registration figures for last month, July, because of the problems that plague the division's new computer. Usually, Paxus would have received the South Australian figures within a maximum of three weeks—generally well inside that three-week period—from the end of a preceding month and, therefore, would normally have anticipated receiving the South Australian figures for new registrations by this time. I ask the Minister:

1. What immediate action will he take to ensure that Paxus is able to record in its forthcoming register of motor vehicles registration some, if not all, the motor vehicles registered in South Australia in July?

2. Due to continuing problems with the motor vehicles registration computer, what action has been taken to ensure that records for this month of August accurately reflect the number of motor vehicles registered?

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

ACUTREAT

The Hon. R.J. RITSON: My question is directed to the Minister of Consumer Affairs. During the last recess, the Minister was kind enough to furnish me with an answer by letter to a question I asked concerning a device called Acutreat, but I am not aware of that ever being approved by the Council for incorporation into *Hansard*. I now ask the Minister whether she is prepared to provide a copy of that answer to *Hansard*, and to have it so incorporated.

The Hon. BARBARA WIESE: I will be happy to do that. I am not sure what procedure I should follow at this point, because I do not have a copy of the reply with me at the moment. Certainly, I can bring a copy of that tomorrow and seek leave to incorporate it then.

SPOUSES COMMITTEE

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking you, Sir, a question on the subject of a spouses committee.

Leave granted.

The Hon. J.C. BURDETT: In the New Zealand Parliament they have a spouses committee not constituted, as I understand it, under Standing Orders, but with its own constitution. There are five Government and four Opposition members on the committee; it has its own room in Parliament House in Wellington—

The Hon. C.J. Sumner: We haven't got enough room as it is.

The Hon. J.C. BURDETT: Maybe the room is not so terribly important, but they meet regularly and their functions are to improve conditions for spouses, to conduct social functions and that sort of thing. Each of the two major Parties—the National and the Labor Parties—have their own Party spouses committees, but there is also the general overall committee formally constituted with five members from the Government of the day and four Opposition members. It seems to me to be a very civilised procedure. I think there is not enough contact between spouses; we are busy, and it is so easy to forget the spouses who support us so well. Obviously, because the lead has to be taken by someone (and I think that it would have to be taken by a Presiding Officer), would you, Sir, consider the feasibility of forming an independently constituted spouses committee in this Parliament?

The PRESIDENT: Yes, I am prepared to give it every consideration. Any help that the honourable member could give me by having any papers from the New Zealand Parliament presented to us, I would be happy to look at and if, after having perused them, I think there is merit in it, I will be happy to report back to the Chamber on the matter.

MEMBERS' PRIVACY

The Hon. R.J. RITSON: My question is also directed to you, Sir. I raise this matter about once every five years, and it is the question of the privacy of the inner lobbies of this Chamber. As time has gone on, an increasing number of people, be they public servants or strangers who visit the place frequently, have become familiar with the inner lobbies and use them as if they were their own. I am noticing, particularly in the long lounge, an endless stream of strangers with the bearing of public servants—

Members interjecting:

The PRESIDENT: Order! The honourable member.

The Hon. R.J. RITSON: —rushing backwards and forwards about their business oblivious to the sign that reads, 'Members only'. I have also observed groups in the inner lobbies, having guided tours of the Parliament, guided by people who are not members of the Parliament, while the Council is in session. On previous occasions when I have asked questions concerning this, letters have been written to the Ministers, asking them to draw this to the attention of their staff, and there has been an immediate improvement, with a residual effect that has lasted several years, and I think it is time to try again. So, would you, Sir, be prepared to draw this to the attention of all Government Ministers by letter, asking them to advise their staff?

The PRESIDENT: I am prepared to go even further than that. I am prepared to draw it to the attention of all members of the Council; I do not think it is just Government members. I have also noticed friends of members in the back of the Chamber who should not be there. I have not drawn attention to it as it has not been raised as an issue but, now that it has been raised, I am happy to draw it to the attention of all members, and I will do so in a letter. Call on the business of the day.

TOBACCO PRODUCTS CONTROL ACT AMENDMENT ACT

The Hon. DIANA LAIDLAW obtained leave and introduced a Bill for an Act to amend the Tobacco Products Control Act Amendment Act 1986. Read a first time.

The Hon. DIANA LAIDLAW: I move:

That this Bill be now read a second time.

This Bill to amend the Tobacco Products Control Act 1986 is motivated by a desire to ensure that Foundation South Australia is made more accountable for its general operations, policies and practices than has hitherto been the case.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: I can get my office to give you a copy of the speech. The Bill seeks to ensure that this process of accountability is exercised by the Parliament of South Australia, as opposed to the Government of South Australia, through the Public Accounts Committee. Foundation South Australia was the brainchild of a former Minister of Health, the Hon. John Cornwall. His move to establish Foundation South Australia in March 1988 was viewed as controversial by many and enlightened by others. Certainly, debate in this place was heated.

In brief, the Minister sought to achieve the following objectives: first, the prohibition of tobacco advertising, including cinema advertising, billboards and other external signs, with provision for the phasing in and exclusion of the print media; and, secondly, the prohibition of tobacco sponsorship of sporting and cultural events where there is public promotion of tobacco products or brand names, with provision for the phasing in and exception of the Grand Prix and other national and international events.

He sought thirdly to achieve the establishment of an independent South Australian Sports Promotion, Cultural and Health Advancement Trust to provide replacement funding for sports and cultural groups and to promote good health; and fourthly, an increase in the tobacco licence fee from 25 per cent to 28 per cent to create a fund to be administered by the trust.

At the time the Liberal Party highlighted many inadequacies in the Bill, and we finally voted against the third reading. Our principal and principled objections centred on the hypocrisy of the Government's exemptions for the print media and the Grand Prix; our belief, based on overseas experience, that the bans on advertising and sponsorship would not have any effect on reducing smoking, in particular among young people; our objection to the additional levy when the State and Federal Governments had already gained $110 million—and certainly after last night's budget it will be a lot more—from smokers and could channel these funds into health promotion; the loss of discretionary powers by sporting and cultural organisations; misgivings about the effective independence of the trustees in administering the funds; and concern about the adequacy of mechanisms to ensure accountability.

In relation to the issue of accountability, the subject of the Bill I have introduced, the Hon. Trevor Griffin at the time said:

> ... there are deficiencies in the way in which this body is to be accountable to the Parliament and subjected to scrutiny.

Later, he said:

> It is not clear what procedure is to be followed for the presentation of a budget, the approval of the budget and the extent of which that will be subject to parliamentary scrutiny.

The Hon. Mr Griffin also expressed reservations about the fact that there was no provision in the Bill or in the principal Act for a negotiated code of conduct.

During the Committee stage of the Bill, the Hon. Mr Cameron moved a number of amendments on behalf of the Liberal Party to remove ministerial discretion and to ensure Foundation SA's budgets were subject to scrutiny by both houses of Parliament. The Hon. Michael Elliott, on behalf of the Australian Democrats, moved additional amendments to give Parliament the power to oversee the trust's membership, arguing that the membership should be agreed to by the Parliament to ensure that the fund was not abused.

Ultimately, none of these amendments were passed. However, I note that Minister Cornwall, in summing up the Committee stage of the Bill, sought to address members' anxieties about scrutiny of Foundation SA. He said:

> ... there is a clear requirement for an annual report and the schedule provides that the trust shall be audited by the Auditor-General. They are all the ordinary checks and balances and its business will be very much on the public record. There is no way in which the trust, whether or not it wanted to, could be involved in anything which was not subject to total public scrutiny.

After some two years of operation it is clear that there are many matters relating to the operation of Foundation SA that have generated varying degrees of public concern and alarm; also that there is insufficient opportunity within the provisions of the Act to ensure that these matters are (to quote the former Minister), '... subject to total public scrutiny'. Certainly, the Act provides (and again I quote the former Minister), '... all the ordinary checks and balances'.

However, difficulties have arisen, and will continue to fester, due to the fact that Foundation SA is no ordinary operation. It is a unique body charged with extraordinary powers and responsibilities including the distribution of millions of dollars—in and, over $5 million a year—of public funds and a charter that is not compatible with freedom of artistic expression and endeavour.

I have held responsibility within the Liberal Party for the arts since only January this year. In my early discussions with a broad spectrum of arts organisations I was disturbed that Foundation SA was at the top of the agenda of almost every organisation. Also, I became increasingly angry when I learnt about the frustrations most had encountered or were still encountering with the management of Foundation SA, with persons who had precious little or no experience of running an arts company let alone any understanding of sponsorship arrangements.

My resolve to require greater accountability by Foundation SA for both its policies and practices stems from those discussions some six months ago. I note this background because I have had little association with sporting organisations in recent months; that is not the area I have been assigned to represent. In any event, I suspect that many of the concerns raised in art circles are less of a dilemma for or an intrusion upon management within the sport and recreational areas, as their field of endeavour can more easily be accommodated within the ambit of health promotion and the prevention of disease related to tobacco consumption.

Foundation SA's charter, as outlined in section 14d of the Act, is to promote and advance sports, culture, good health and healthy practices, and the prevention and early detection of illness and disease related to tobacco consumption; and, more particularly for that purpose:

(a) to manage the fund and provide financial support from the fund by way of grants, loans and other financial accommodation to sporting and cultural bodies and for any sporting, recreational or cultural activities that contribute to health;

(b) to conduct or support public awareness programs;

(c) to provide sponsorships;

(d) to keep statistics and other records;

(e) to provide advice to the Minister;

(f) to consult regularly with Government departments and agencies and liaise with persons and bodies affected by this Act; and

(g) to perform such other functions as are consigned to the trust.

It is apparent from reading the *Hansard* debates of 1988 that members in this place, and the other place, gave little attention to Foundation SA's proposed charter and even less attention to the potential impact of the trust's functions and powers in relation to health promotion on the operation of sporting, recreational, art and cultural activities. At the time most members concentrated on the issues of replacing tobacco sponsorship and the relationship of smoking and health. While these matters warranted attention, I think it is apparent, with hindsight, that the focus was too narrow and rather short-sighted.

An article by Bernard Branson in this month's *Adelaide Review* effectively sums up the dilemmas which arts organisations in particular have experienced since Foundation SA was launched. It states:

> In short, the Act deals in a tolerable way with the immediate dislocation its passage was intended to create, but it makes no sensible approach to resolving the contradictions in its purposes. . .
>
> The central and immediate problem with Foundation SA's job is the conflicting mishmash of its functions. If it is to have a function to promote health and discourage tobacco, well and good. If it is to have a function to fund the sports and arts, well and good. But a way must then be found to separate these functions, because it is impossible to weigh the unhealthy role models of a bunch of chain-smokers in a Noel Coward play against the undoubted contribution to a healthy life which is made by the arts, in order to decide if the play contributes to health.

This contradiction is a matter that the Parliament should consider. I also believe that the Parliament should consider the policy determination by the trustees to operate as a sponsorship body only. The agonies that the arts have experienced arising from Foundation SA's 'contradictions in purpose' and 'conflicting mishmash of functions' have been exacerbated by an early policy determination that trustees would operate Foundation SA as a sponsorship body only. The Act does not direct the trustees to confine the distribution of funds to sponsorships only. The Act provides a number of options for this purpose. In fact, the first option listed under the trust's functions and powers in section 14 *(d)* is '. . .to provide financial support from the fund by way of grants, loans and other financial accommodation'. However, the trustees have totally ignored this option—an option which the Parliament saw fit to include in the Bill as a proper function of the trust, and an option which would help, I suggest, overcome the problems now experienced by arts organisations in particular.

But insisting that funds be distributed by sponsorships alone, and not a mixture of sponsorships, grants and loans, the trustees, in turn, have been able to apply a set of restrictive terms and conditions as the basis for negotiating sponsorship deals. These terms and conditions set out in Foundation SA's publication 'Sponsorship Guidelines—Arts and Culture', highlight that sponsorships are to be specifically linked to support the Foundation's public awareness programs and may require some or all of the following activities:

1. Active promotion of current health messages and supports such as naming rights to events, acknowledgment on promotional material, use of signage and billboards at events and venues, etc.;

2. Involvement in public relations activities, press releases and media launches; and

3. Participation by significant personalities in promoting health messages and events.

Accordingly, each application for sponsorship is negotiated on the basis of an organisation's capacity to plan, develop, organise, publicise and mount Foundation SA's health messages. Not surprisingly, such conditional gifts are a common source of complaint.

Mr President, the limitations of the Act coupled with the trustees' decision to confine its activities to sponsorship deals tied to restrictive forms and conditions, also raises a wider philosophical issue for the arts in South Australia—an issue that has received little attention to date. Traditionally, Government funding policies for the arts at both the State and Federal levels, have been based on the 'arm's length' principle; that is, Governments will not seek to use the public purse to influence a company's artistic direction, expression or program. The 'arm's length' principle has long enjoyed bipartisan support from Governments of all persuasions at all levels. Certainly, I recall when I worked with the Hon. Murray Hill, Minister for the Arts in the Tonkin Liberal Government of 1979 to 1982, that he vigorously upheld the principle as basic to the development of a flourishing artistic climate in South Australia. Today I believe the current Minister, Ms Levy, subscribes to the same principle. But with Foundation SA the arm's length approach is at risk of being undermined, and I believe that this has most serious consequences for the health and future direction of the arts in South Australia.

Parliament should be questioning this direction and questioning whether we accept conditional funding for the arts, a basis on which funding has not been provided in the past, as in the best interests of the arts in this state. At the very least we should be alert to the potential for Foundation SA to compromise or censor a company's artistic program. Such an instance arose recently when Theatre 62's Youth Company (West Enders) sought funding from Foundation SA to produce *Lenny*, a play about Mr Lenny Bruce, a drug abuser and comic swearer. The application has yet to be approved. Yet, it is reasonable to believe that *Lenny* is a play most worthy of production both for its important message and for its artistic qualities.

I suspect the fundamental problems that I have highlighted above in relation to Foundation SA's operation would not present such a problem for the arts in an environment where funds were plentiful and sources of funds were numerous. But arts organisations today are not operating in such an environment. In recent years Federal and State Labor Governments have ruthlessly cut their commitment to the arts. A fortnight ago in this place I noted in a question to Arts Minister Levy my anxiety that State funds for the arts had been cut by 12.5 per cent in real terms in the past four years and that further cuts are imminent in the State budget to be presented by Premier Bannon tomorrow afternoon.

Such massive Government cuts have rendered arts organisations vulnerable both financially and artistically at a time when the current economic recession is having an impact on patronage and also on the capacity of private sector companies to bestow sponsorships. In this climate of uncertainty, Foundation SA becomes a very powerful player. It can dictate the terms, it has millions of dollars to play with, it has wide discretionary powers, and it is not burdened by rigorous procedures for accountability, let alone scrutiny by Parliament. Members of Parliament do not even have the right to address questions to relevant Ministers during Estimates Committees. Members in the other place certainly experienced that last year during the debates on the estimates.

All the foundation has to do is submit a budget to the Treasurer, Mr Bannon, Arts Minister Levy, Recreation and

Sports Minister Mayes and Health Minister Hopgood. As Bernard Branson noted in the July edition of the *Adelaide Review*:

> Once the budget is accepted the foundation can distribute its largesse as it pleases. It doesn't have to explain to the Bannon Government or anyone else why it gives money to anyone or why it spends it.

Similar reservations were expressed in the Editorial opinion of the *Advertiser* on 14 May:

> The power the foundation wields can distort sports and culture by what it chooses to sponsor.

I acknowledge that over the past two years Foundation SA has gained the undying devotion of numerous small to medium size sport, recreational, arts and cultural organisations in South Australia—generally organisations that previously did not attract support and sponsorship from tobacco companies. I would add here that I know there is quite a number of women's sporting groups which come into that category and which have appreciated the support and money coming from Foundation SA.

I accept that foundation SA has provided such organisations with invaluable assistance to augment volunteer efforts. I do not seek to upset such arrangements. Anyway, they are part of Foundation SA's responsibilities under the Act. However, such satisfactory arrangements should not be used to deter members of this place or members of Parliament generally from insisting upon greater accountability from Foundation SA and insisting upon measures which will ensure Parliament has an oppportunity, in fact an obligation, to question Foundation SA on its interpretation and execution of its responsibilities.

For instance, there is a need to question the basis for the trustees' decision to allocate sponsorships on a ratio of 3:1:1, with sport and recreation gaining 60 per cent of the funds, the arts and culture 20 per cent and health promotion 20 per cent. I note that the Act provides for three members nominated by the Minister of Recreation and Sport and only one each by both the Minister for the Arts and the Minister of Health. But this membership reflects the proportion of past sponsorships by tobacco companies. It is not a decision that I would believe reflects future directions for Foundation SA. There is no requirement in the Act, nor in the regulations, that new sponsorships by Foundation SA should be rationed on a ratio of 3:1:1, regardless of merit.

For instance, if there is a fantastic arts application before Foundation SA, is Foundation SA telling Parliament that if it funds the organisation involved it cannot fund other arts organisations in this State, no matter the merit of those applications—because it has already spent that 20 per cent of its funds that it has to allocate in that year on that one project in the arts?

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Yes, I know, but I am just saying that if one uses that argument it means that the arts will always lose out, if it is the arbitrary decision, as I would argue it is to have 20 per cent of the funds for the arts. If there are more applications received from the arts and all of them are deemed worthy, it is a severe penalty for the arts and the health of the arts in this State to have such a rigid decision.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Yes, but they get 60 per cent of the funding. They have a much greater opportunity to receive the largesse of the—

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Yes, but I do not think that Victoria is a very good example for any of us to quote in this State at the present time. It seems to have fallen into a hole in many instances. The Minister, in referring to Victoria, forgets or perhaps has overlooked the fact that we in this State want to see that the arts again flourish. Also, I believe that Parliament should be questioning whether or not the trustees intend to fund forever (and at what level) the organisations that previously received sponsorships from tobacco companies. Certainly, commercial sponsorships do not last forever. I love the game of football and am a vice-president of the Sturt Football Club. If they were playing better I would go more often on a Saturday afternoon—in fact, I have been accused of not being a loyal vice-president.

Members interjecting:

The Hon. DIANA LAIDLAW: Perhaps if I had more staff I would be able to have more time off to go on Saturday! Anyway, notwithstanding my love of the game of football, I have heard many people argue that football is not a healthy pursuit (in fact I have heard members of the Foundation SA trust argue such a thing) and that Foundation SA should reassess its current allocation of $1 million to the SANFL.

There are further questions to be asked about the way Foundation SA is doing its job. While the Chairman (Mr David) seeks to dismiss such matters as mere 'gossip and innuendo', the following concerns persist—and they remain unanswered:

1. the *ad hoc* basis of sponsorship decisions;
2. the guidelines for sponsorship that appear geared more to the perceived needs of Foundation SA than the actual needs of the recipient, including the trustees' decision to exclude capital works of even a minor nature from eligibility for funding;
3. Foundation SA's zeal for self-promotion;
4. the rising proportion of funds spent on administration;
5. the proportion of individual sponsorship deals that must be spent on marketing, advertising and public relations;
6. the appointment of a public relations officer and the basis for commissioning external public relations consultancies and advertising agencies for promotional programs;
7. the limited number of members on each advisory committee and the depth of expertise to assess applications for funding;
8. the deteriorating relationship between Foundation SA and private sector sponsors;
9. the coordination and liaison with existing agencies promoting health; and
10. the measures, if any, used to gauge the effectiveness of Foundation SA's health promotion campaigns.

In recent months I have met on two occasions with the Chairman and the General Manager (Dr Court) to canvass my concerns about the way in which Foundation SA is doing its job. A number of my colleagues have done likewise, including the Leader (Dale Baker). At my second meeting last month I was provided with extensive background information, including an amazing set of statistics on work volumes that even featured the average daily incoming phone calls, the invoices processed and cheques drawn. The need to undertake such a time-consuming task seems a surprising priority, and I remain unsure about the relevance of such material in measuring the overall effectiveness of Foundation SA's role. I remain concerned about the perception by both management and trustees of their role and responsibilities; their determination to persist with sponsorships alone, rather than a mixture of sponsorships, grants or loans; and the absence of coherent and informed policies.

Accordingly, in recent months, I have devoted considerable time to exploring avenues by which Parliament—as opposed to the Government—can exercise greater scrutiny

over the operations of Foundation SA. Initially I considered extensive amendments to the Act, but it was hard to know where to start, let alone where to stop, with this exercise, so I did not persist. Anyway, it became apparent that review of the operations of Foundation SA was a necessary first step, to be followed by possible amendments, not *vice versa*. I also looked at the option of providing for two members of Parliament to be trustees, either by increasing the size of the trust from seven to nine, or by reducing the number of persons nominated by the Minister of Recreation and Sport from three to one. The Victorian legislation provides for three members of Parliament to be trustees; but, again, I was not convinced that this measure would be sufficient to ensure that the nagging questions that abound would be able to be addressed, and that a review may recommend amendments to the Act to provide that members of Parliament be trustees.

Next I looked at the option of establishing a standing committee of the House of Assembly to provide a permanent oversight of the operations of Foundation SA. Certainly this option is favoured by the architect of Foundation SA, a former Minister of Health (Dr Cornwall). I note that, in the July edition of the *Adelaide Review*, Dr Cornwall is quoted as stating:

> The principle of the foundation is beyond challenge, but operating at arm's length is one thing, the mechanics of accountability is another. A more formal accountability such as a parliamentary standing committee would sort out the confusion in the foundation's roles and functions.

Notwithstanding Dr Cornwall's support for the establishment of a standing committee, I am aware that, today, members generally have misgivings about the establishment of further statutory committees, particularly when such an exercise would cost a considerable amount of taxpayers' money. As I explored this option, it became apparent that the scrutiny that a standing committee could exercise over the operations of Foundation SA was compatible with the wide powers already entrusted to the Public Accounts Committee of the Parliament. In such a case, it seemed pointless to seek to duplicate the role and functions of the Public Accounts Committee by moving for the establishment of a standing committee of Parliament to address the exclusive interests of Foundation SA.

The Public Accounts Committee was created by an Act of Parliament in 1972 to improve accountability to Parliament. It is entrusted with enormous powers—in fact, the same powers to summon and compel the attendance of witnesses and compel the production of documents as a royal commission has under the Royal Commissions Act 1917. Its functions include the examination of the reports of the Auditor-General. However, it also has a broader brief as outlined in section 13 *(b)* of the Public Accounts Committee Act, as follows:

> To report to the House of Assembly with such comments as it thinks fit, any items or matters in those accounts, statements or reports, or any circumstances connected with them, to which the commitee is of the opinion that the attention of the House should be directed.

From the above it can be seen that the Public Accounts Committee has all the powers that one could conceive as necessary to undertake a wide-ranging review of the operation of the policies and practices of Foundation SA and to include in such a review scrutiny of the specific matters which I have raised today. I appreciate that the Public Accounts Committee has the capacity to undertake inquiries on its own initiative, and at some stage it may well choose to do so in relation to Foundation SA. However, I believe that the exceptional role and responsibilities of Foundation SA, together with the concerns which I have raised and which others outside this place have raised over the past two years and continue to raise, warrants a formal mechanism of permanent, rather than temporary or *ad hoc* oversight, by Parliament over the operations of Foundation SA.

The Bill incorporates a sunset clause of four years. I believe such a provision would allow the Public Accounts Committee to initiate an immediate and comprehensive review of the operations of Foundation SA, make recommendations for change as it sees fit, note the progress in the implementation of such changes and return to Parliament responsibility for determining the need for ongoing avenues of accountability. Perhaps in four years time, Parliament will have resolved whether or not to establish a Statutory Authorities Review Standing Committee, but I am not hoping for too much on that matter. Such a standing committee would be an appropriate body to be charged with responsibility for the ongoing scrutiny of Foundation SA, its operations, policies and practices.

In conclusion, I highlight that, at the time the Bill to establish Foundation SA was debated in this place and in the other place in March 1988, members raised doubts about the adequacy of provisions to ensure the organisation was held accountable for its operations and was subjected to scrutiny by Parliament. In the two years since Foundation SA commenced its operations, these doubts have proved to be well founded. I reinforce that the doubts are not confined to the arts alone, although, as I explained previously, I have tended to emphasise the interests of the arts in this matter. Doubts have been expressed by representatives from the arts, sport, recreation and cultural groups, and general observers of the operation of Foundation SA.

Even the architect of Foundation SA, Dr Cornwall, now acknowledges the need for a new formal progress of accountability and scrutiny 'to sort out the confusion in the foundation's roles and functions'. Therefore, in the interests of taxpayers' money, in the best interests of sport, arts and culture in SA in the future, I urge members to support this Bill to enable this process of accountability and scrutiny, in the short term at least, to be exercised by the Public Accounts Committee of Parliament. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Explanation of Clauses

Clause 1 is formal. Clause 2 inserts a new section 14fa which provides that the Public Accounts Committee must, in respect of each financial year, review the operations and activities of the trust, and the policies and practices applied by the trust in relation to the management and use of the fund. The proposed new section provides that the Public Accounts Committee must report to Parliament on each review undertaken. It is also proposed that the new section expires on the fourth anniversary of its commencement.

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

PARLIAMENTARY REMUNERATION ACT AMENDMENT BILL

The Hon. K.T. GRIFFIN obtained leave and introduced a Bill for an Act to amend the Parliamentary Remuneration Act 1990. Read a first time.

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

That this Bill be now read a second time.

It arises out of a sense of despair as a Legislative Councillor, in particular, and as a member of Parliament, in general, that the Bannon Government will ever address the question

of adequate and reasonable staff, facilities and resources to enable members of Parliament, regardless of Party, to do the job they were elected to do—represent their electors. This Bill also arises from the frustration of a shadow Minister's trying to handle many complex issues raised by the Government in legislation and through its policies and administration, but unable to do so with as much professionalism as is necessary because of the gross inadequacies of staff numbers, resources and facilities.

The Executive arm of Government which is supposed, under our Westminster system, to be accountable to the Parliament, in fact controls the Parliament and subdues criticisms of its policies, administration and performance by ensuring that members of Parliament who will probe and question (primarily through the Opposition) are denied even basic resources, staff and facilities which late twentieth century business and professional offices would regard as absolutely essential. This Bill has nothing to do with parliamentary salaries or electorate allowances—it is to do with the provision of basic staff facilities and resources to enable all members of Parliament (Labor, Liberal, Australian Democrats, National Party, Independent) to do their job properly. Its object is to remove from the Executive arm of Government its present power of veto over legitimate and reasonable requests of members for the basic tools of trade. Its objective is to vest in an independent body, the Remuneration Tribunal, the responsibility for making decisions independently of politics and political advantage or disadvantage.

The capacity to decide whether or not to grant staff, facilities and resources is power, and that power currently rests with the Executive. This Bill is designed to wrest that power from the Government. By exercising its power over funds and resources, the Executive Government has a great deal of influence over the Parliament. While this Bill does not address that issue directly, it is a small step on the way to releasing the Executive grip on the Legislature. At Commonwealth level, in Canada and in other countries the Legislature controls its own budget, not the Executive. While that situation is not necessarily where we will end up in South Australia, we must in future consider ways by which that control by the Executive over Parliament is loosened. Even the courts are seeking to develop a greater level of independence from the Executive by gaining greater control over their own budgets—the Supreme Court judges in their 1989 report address this very issue.

The need to allow some independent body to determine appropriate levels of staffing, resources and facilities for members of Parliament can best be illustrated by a number of examples. When I tell business and professional people that in the Legislative Council the Liberal Party has a fax machine which a member purchased (a fax machine was not approved by the Government, and was refused by the Government), they are appalled that a Government can be so miserable and out of touch with the real world or, alternatively, so paranoid about giving an essential tool of trade to members of Parliament to assist them in their task. When I tell those same business and professional people—lawyers, accountants, bankers, stockbrokers—whose work depends upon communication that one secretary works for five members of the Legislative Council, they roll their eyes to the ceiling in horror.

Before the 1989 State election the Government provided every school in South Australia with a fax machine but refused to provide them to members of Parliament. In February this year the Government began providing fax machines to police stations, following a promise we made at the 1989 election to ensure police have this modern and economic means of communication. But a request to the Government for one fax machine for the Opposition in the Legislative Council at the beginning of the year has fallen on deaf ears. Looking at a list of office details of Ministers, one can see they all have fax machines, and that is as it should be.

The Joint Parliamentary Services Committee, which manages the joint services in Parliament House, did provide a fax machine at the Parliament House switchboard but it cannot cope with the volume multi-station transmissions which members of Parliament frequently require, or handle frequently highly confidential documents. Some House of Assembly members have fax machines in their electorate offices which they have purchased themselves, while the Government has provided no House of Assembly members with fax machines. Even in the area of photocopiers, business and professional people cannot believe that members of Parliament do not have modern automatic feed and automatic collating machines, or ones that photocopy quickly rather than the monotonously slow machines that are presently available in Parliament House. It is only in the past couple of years that a few collators have appeared around the corridors in Parliament House.

Staffing is a major bone of contention. Each House of Assembly member has at least one staff member. In few cases is it more. In those cases where there are more, it is generally the Ministers who are given a part of a full-time equivalent in their electorate office. In the Legislative Council the two Australian Democrats have three staff, two of whom have only recently been provided by the Premier without any discussion with other Parties or consideration of the needs of other members. The six Australian Labor Party members who are neither Ministers nor the President have two staff members, while the 10 Liberal Party members have three, of whom one is attached to the Leader of the Opposition. Each secretary tries to do the work of four or five members of the Legislative Council, including shadow Ministers, working at nights and even on weekends without pay (except a 10 per cent loading on base salary) to try to keep up with some of the work at least. No fairminded and objective employer would expect or even allow such appalling pressure.

It is important to note, in passing, that in 1982-83, when Mr Bannon came to office, the total staff of ministerial offices (excluding the Premier's office) was 94.1 full-time equivalent staff (7.8 f.t.e. per ministerial office) and in 1989-90 that had risen to 115.8 f.t.e. staff (9.7 f.t.e. per ministerial office). The Premier's office in 1982-83 had 13.2 f.t.e. staff and in 1989-90 that had risen to 17.3 f.t.e. staff. Of course, one must recognise that, although they require staff to assist in fulfilling ministerial functions, they do have the massive resources of the Public Service for that purpose. All other members of Parliament do not have access to those resources. What makes matters worse is that, in spite of requests five years ago for word processors to assist the secretaries in the Legislative Council in repetitious work, they are still refused. That does not just apply to members of the Opposition but to members of the Government Party also. Even a simpleton can work out that if there are speeches to be typed or retyped it is grossly inefficient for a typist to have to retype in whole and that modern word processors (a basic tool in even the most basic office) relieve the tedium and increase the speed of work, allowing time for other tasks.

All members have many occasions when speeches or submissions must be typed and corrected and on a daily basis the same letters must be typed and retyped and forwarded to different constituents; a word processor would facilitate that task, without the tedium of repeating and

retyping. Since the beginning of 1989 there has been a gradual process of installing word processors in House of Assembly electorate offices, but after nearly two years there are still House of Assembly members who do not have them, and there are none in the Legislative Council.

About three years ago the then Leader of the Opposition, John Olsen, finally was offered a modest provision for word processors after years of making application for them. But, when he put pressure on to obtain them, the Government said that he did not have the necessary desks; the money would have to be spent on them; and the word processors would have to wait until the following year's budget. But then he was given some 'Mickey Mouse' glass-top typewriters which bore no resemblance to good word processors and, when he ceased to hold the office of Leader, the Government still had not provided word processors—he had to prevail upon private industry to make two available, and even they rapidly became outdated.

Earlier this year the Premier finally made some concessions to the new Leader of the Opposition, but all other members of Parliament (other than Ministers) still languish. Even items such as document shredders have been hard to come by. In the past few months, a shredder has at last been made available to the basement offices in the Legislative Council side of Parliament House.

One could be excused for seeking to make comparisons between the staff, facilities and resources available to members of Parliament in South Australia compared with those of members of Parliament in other States and at the Commonwealth level. That, though, would presume that, if this Bill passes, the Remuneration Tribunal would see things presently as members of Parliament see them. The Premier, in responding to this Bill, may be tempted to endeavour to refute it by seeking to exaggerate costs and presume the worst. He may be angry that he would lose some control over members. He may resent the Parliament and parliamentarians becoming a little more independent of the Executive.

If the Premier is tempted to respond in this way, I urge him to think twice. I know that his own backbenchers are depressed, as are other members of Parliament in both Houses, by the lack of facilities, staff and resources to do their jobs properly. I hasten to add that members of the Premier's own Party were not aware that I proposed to introduce this Bill, so there is no collusion on it, but I am sure that many of them will welcome it.

Can I also urge the Premier to look at the principle which this Bill seeks to reflect? There should be a real separation of powers—the judiciary independent of the Executive and ultimately accountable to the Parliament; the Executive accountable to the Parliament; and the Parliament not subject to the control of the Executive. If there is a strong and reasonably resourced Opposition, that makes for good government through ensuring adequate executive accountability and scrutiny. If there are strong and reasonably resourced members of Parliament generally, that means that Parliament will have a much greater opportunity to keep the Executive accountable.

The scheme of this Bill is to give power to the independent Remuneration Tribunal to consider and, if it thinks fit, make a determination on staff, resources and facilities for an honourable member or members of Parliament. Any honourable member or group of members can make an application to the Remuneration Tribunal. This application need not be on a Party basis. The tribunal may hear submissions and, if it is so persuaded, make a determination which then comes into effect when gazetted. The tribunal may allocate the award to an honourable member on conditions—it may be made to an honourable member or to the President or Speaker or Leader of the Party group on behalf of a group. The honourable member or group, in the case of staff allocations, could have responsibility for PAYE tax, WorkCover and other obligations as employer, although the tribunal's power will be wide enough to allow an arrangement with, say, the Minister of Housing and Construction, to act as employer. Annual audited accounts will have to be provided to the President and Speaker respectively showing the way in which an award has been expended. I commend the Bill to all members.

I hope that it will be viewed objectively and not as reflected in some interjections by Ministers with some sense of vindictiveness about what has happened in the past—three years of Liberal Government compared with the more recent seven years of Labor Administration. But it seems to me that it will be fruitless to stoop to that level in reviewing a Bill which seeks to provide for independent assessment of the needs of members of Parliament in performing the proper functions of their respective offices. I hope that this Bill will pass both Houses expeditiously to enable the tribunal to consider the matter early in 1991. I seek leave to have the detailed explanation of the clauses incorporated in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal.

Clause 2 provides for the insertion of a new section 5a to confer jurisdiction on the Remuneration Tribunal to determine the nature and extent of the staff, facilities and services that a member or group of members require to perform their parliamentary duties effectively. The Remuneration Tribunal will be able to make appropriate awards. Members will be required to provide annual accounts relating to the expenditure of the money awarded by the tribunal under the section.

The Hon. R.R. ROBERTS secured the adjournment of the debate.

MR D. SKINNER

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

That this Council expresses concern at the decision of the Commonwealth Development Bank to seize the stock and plant of Mr Deryck Skinner, proprietor of the Terowie general store, and calls upon the bank to apologise to Mr Skinner for its precipitate action and also to make full restitution to Mr Skinner for the loss and damage incurred as a result of this action.

This is a serious motion. I am calling upon the Commonwealth Development Bank to apologise and make full restitution to Mr Deryck Skinner, proprietor of the Terowie general store. The bank's decision in November 1989 to seize all Mr Skinner's stock and plant without any prior discussion was immoral, unnecessary and a gross abuse of power. I indicate that I am establishing a fighting fund to enable Mr Skinner to challenge the Commonwealth Development Bank in the courts. It will cost him about $15 000 to take action in the courts. I am donating $250 and invite members of the community who wish to support Mr Skinner to send cheques made payable to the Skinner Legal Fighting Fund care of me at Parliament House, North Terrace, Adelaide 5000. Councillor Huon Gray of Terowie has agreed to assist me with the administration of this fund.

Mr Skinner has been stripped of his business and dignity and he has been made bankrupt by the bank's high-handed

action. The Commonwealth Development Bank has torn the heart out of the historic township of Terowie. The people of Terowie now have to travel 25 kilometres to Peterborough to buy general supplies. Some of the residents are pensioners with no private transport.

Mr Skinner has worked for nine years without one day off to build up the Terowie general store from nothing into the most comprehensive and cheapest general store in the Mid and Upper North with an annual turnover of $600 000. At least 60 per cent of his business was transacted with people from outside Terowie, many coming long distances to do business with Mr Skinner. Without any warning to or discussion with Mr Skinner, the Commonwealth Development Bank arranged for three trucks, three cars, and 15 people to drive 225 kilometres from Adelaide to Terowie, arriving at 8.30 a.m. on Saturday morning, 18 November 1989. They seized all the stock and plant from Mr Skinner's store. This sordid little journey took two days, including a trip to Adelaide on Saturday evening to unload stock before returning to Terowie to reload.

The Hon. J.C. Burdett: Was there any demand first?

The Hon. L.H. DAVIS: There was no demand first. My colleague the Hon. John Burdett, who has a legal background, interjects and asks, 'Was there any demand by the bank on Mr Skinner first?'. There was no demand as we would understand it. So, they seized all the stock and plant from Mr Skinner's store.

This sordid little journey, as I mentioned, took two days, including a trip to Adelaide on Saturday evening to unload stock before returning to Terowie to reload. This reads like the storyline of a C-grade movie that has been left on the cutting room floor. However, Mr Skinner had never defaulted on his loan repayments to the Commonwealth Development Bank. In fact, Mr Skinner had paid his loan instalment for November 1989 several days before it was due. The bank's action in seizing these goods was unacceptable, unjust and unnecessary. By taking this extraordinary action, it dramatically reduced the value of its security and ran up huge costs in selling off the stock and plant seized.

The wholesale value of the stock lost on the date of seizure, as determined by the bank's valuer on that date, 18 November, was $90 331.13, and the plant was worth a minimum of $15 000. The stock and plant were sold for just $54 736 by auction in Adelaide, and the costs of the bank's mayhem were as follows: seizure costs, $10 400; auction and storage costs, $23 800; Skinner's legal costs to date, $7 000; making a total of $41 200.

The Commonwealth Development Bank has also made clear that its legal costs will have to be repaid by Mr Skinner. At the time of this hit and grab raid, Mr Skinner owed the bank only about $71 000. He had been paying off his loan each month in 1989. Indeed, as I indicated, his November instalment had been paid several days before it was due. Mr Skinner now finds that he owes $54 715.23, as at 5 February 1990, plus interest accruing from that date, of $26.50 a day. That means that Mr Skinner currently owes the Commonwealth Development Bank just over $60 000. Consider his position: stock and plant with a conservative wholesale valuation of $105 000 had been seized for a loan to the Commonwealth Development Bank of $71 000.

That was the position at 18 November 1989. Today, the position is that Mr Skinner has no stock or plant worth $105 000, but he has a debt owing to the Commonwealth Development Bank of over $60 000. In other words, his position has deteriorated by $94 000 as a result of the gross, immoral misconduct of the Commonwealth Development Bank. Mr Skinner is now required to sell both his beloved general store and his home in Terowie to satisfy the debt to the Commonwealth Development Bank. The bank has a first charge over both properties.

At the time Mr Skinner was brought down by the bank's precipitous actions, all his suppliers' accounts were up to date and he was in fact in credit with his account at the Westpac Banking Corporation. Mr Skinner is highly regarded and admired by all who have dealt with him. He has had enormous moral and financial support over the past few tortuous months from the township of Terowie, with its population of just 200 people. I have spoken to some of the major suppliers to Mr Skinner's general store. One supplier told me that he could not wish for a more perfect person to deal with. He confirmed that Mr Skinner was not only a man who kept his word, but he also ensured that the supplier had full knowledge of the state of his business.

He is undoubtedly a man of total integrity who is a conservative, sometimes pessimistic but always a most astute businessman. Another supplier with whom I spoke this afternoon confirmed that, just a few days before the Commonwealth Development Bank made its dawn raid on his shop, Mr Skinner had paid the amount owing to that supplier days before that amount was due and payable.

What triggered the bank's seizure of Mr Skinner's assets was the fact that he was having a closing down sale. He was, not surprisingly, concerned about a foreshadowed sharp increase in interest rates on his Commonwealth Development Bank loan, effective from 1 January 1990. The grim irony was that Mr Skinner was quite open with the bank about his intention; he was being a model customer, but his trust was sadly misplaced. He wished to reduce his debt by reducing his stock and then to continue operating at a lower level of debt. The bank misinterpreted his decision to have a closing down sale and believed that he was putting up the shutters on his store permanently. However, it never discussed the situation with him; it never looked at the options available in the situation; and, in my view, it acted quite improperly. However, Mr Skinner's friends in Terowie knew what he wanted to do. By having a closing down sale, Mr Skinner shrewdly, like many other Adelaide businesses that also advertise closing down sales, was ensuring a good liquidation of his stock.

The retail value of his stock was over $100 000 and, with the 20 per cent reduction on retail prices applicable in the closing down sale, Mr Skinner was rightly optimistic of clearing the majority of the stock. Instead of allowing him prudently to reduce his debt, the bank has reduced his business to rubble. The Commonwealth Development Bank is a Commonwealth Government statutory authority, so its actions cannot be investigated by Commonwealth or State Ombudsmen or the Department of Corporate Affairs. I am therefore writing to the Prime Minister, Mr Hawke, to ask whether he approves of the Commonwealth Development Bank's extraordinary action, given that the bank has been specifically set up by the Government to assist small business, rather than crush it.

I have also discussed with Mr Skinner the possibility of his referring the matter to the newly established Banking Industry Ombudsman. I discussed Mr Skinner's plight with the Commonwealth Development Bank only last Friday. Whilst I undertook to respect the confidentiality of that discussion, I can say that nothing I learnt from it has changed my view about this case. I am disappointed that the Commonwealth Development Bank has not seen fit to respond to a suggestion which I made at that meeting. Therefore, I have moved in the Legislative Council the motion that is now before us.

I wish to refer just briefly to some background about Deryck Skinner's general store. Deryck Skinner established

the store in 1981. In fact, in January 1980, Mr Skinner and his then wife purchased a cottage and some acres of land on the outskirts of Terowie. They refurbished the cottage and then, in 1981, arranged to take over the sale and distribution of newspapers and magazines in Terowie, at no cost to the residents. One can see that Mr Skinner was a very public spirited person. They then rented a shop from the Terowie Citizens' Association and set up a business on a part-time basis, opening for two hours in the morning and two hours in the late afternoon. They found that the good people of Terowie were pleased to see that a shop had been opened in their town, because it had become almost a ghost town when the railways moved away in 1969.

Terowie has an interesting and proud history. It had a population of as many as 2 000 people in its heyday. It has some magnificent and unique architecture and it was the meeting point of the broad and narrow gauges, so it was very much a railway town. The town had been established by an enterprising Scotsman by the name of John Mitchell back in 1872.

Some of the buildings from that period still remain. As a railway town, Terowie enjoyed a frantic and exciting history, and, perhaps most importantly of all, during the Second World War it was home to many troops, at which time its population approached 5 000 people. In fact, General Douglas MacArthur, with his wife and son, passed through Terowie and he gave his first press conference in Australia on its railway station. In 1920 the Prince of Wales also paid a brief visit to Terowie.

At the time of the closure of the railway operation in 1969 the future of Terowie appeared to be bleak, and so it proved to be. The population of Terowie shrank dramatically. However, in the past few years Deryck Skinner, along with people such as Councillor Huon Gray, Marina Gray and John Ogle (a photographer) fought very hard to put Terowie on the map. Quite frankly, I find it a remarkable achievement that someone can take over a store and, in nine years, build a turnover from nothing to $600 000 per annum, servicing not only the people of Terowie but also people from far and wide, who appreciated the value for money that Deryck Skinner offered, his scrupulous fairness and his ability to get goods of any kind if they were required.

In that nine-year period Deryck Skinner was a model businessman. Certainly, he had some difficult times. During 1985-86, following the separation of Mr Skinner and his wife, he was required to make a property settlement, which he did with good grace, but it obviously required a rearrangement of his financial affairs. That was overcome, and subsequently in 1987-88, when there were some financial difficulties with the business, the people of Terowie and its districts formed the Terowie General Store Support Group. Their confidence in Deryck Skinner was such that they actually deposited $30 000 of their own money in Westpac in the form of an interest bearing deposit, and Westpac then took charge of this deposit to give them security over an overdraft of a similar size. That amount of $30 000 remains in place as a deposit and as testimony to the confidence that the people of Terowie have in Deryck Skinner.

During 1987-88, sales at the Terowie store were over $507 000 and they grew by a further 11 per cent in 1988-89 to $566 000. As I said, Mr Skinner is a prudent and conservative businessman; he generally overestimates his problems rather than the many optimistic businessmen who underestimate the extent of their difficulties. He was concerned at the high level of stock he was holding, with the increasing interest rates, would be an unsustainable financial burden.

When he was advised by the Commonwealth Development Bank in the last quarter of 1989 that he could expect a 4 per cent increase when his loan came up for review in January or February 1990, he decided to reduce his interest burden by cutting back his stock level. He notified the Commonwealth Development Bank of his plans because he believed it had a right to know. That is one point that comes out time and again—that he was very open in all his business dealings and that he was scrupulously honest and fair. He was a great communicator and, of course, one of the important principles of developing a good banker/client relationship surely is to have open communication.

Mr Skinner was totally open in his communication with the Commonwealth Development Bank. That openness, frankness and trust was not reciprocated by the bank in its dealings with Mr Skinner on that sad Saturday morning of 18 November 1989. It goes without saying that had these circumstances occurred in America the action which the Commonwealth Development Bank took at Terowie certainly would never have occurred.

Understandably, Mr Skinner was in deep shock when this event occurred. The bank quite deliberately chose a strategy which saw its bailiff and 13 or 14 valuers and packers arrive in town at 8.30 a.m. on a Saturday morning. Had they arrived during the week, Mr Skinner could have easily contacted his lawyer in Burra, or perhaps the local policeman. I think the advice he would have received at that time was that he had every right to close his door and refuse the bailiff, the valuers and the packers admission. But, the earliness of the raid and the fact that it was a Saturday morning left Mr Skinner understandably in shock—and it was all over.

The people of Terowie also were in shock. They banded together to buy the vegetables and other food items that were perishable. The initiative that the Commonwealth Development Bank had seized was maintained during that weekend, and it took a load of goods back to Adelaide late on Saturday evening, returned and, by midnight on Sunday, they had stripped the general store bare of $90 000 worth of stock and $15 000 worth of refrigeration, plant and other equipment.

As I pointed out, the cost of this operation was absolutely massive. Quite clearly it shows that the Commonwealth Bank not only had failed to communicate but that it had also failed to calculate the value of the stock and the level of security that it held over Mr Skinner's stock, plant and property. As I said, the wholesale value of the stock, which I understand was readily saleable, was $90 000; the plant was worth $15 000; and he had real estate—his home and his general store in Terowie—which would be worth, arguably, $60 000. So, he had security which one could well argue was worth $150 000 to $160 000, covering the loan outstanding to the Commonwealth Development Bank of just $71 000.

The people of Terowie, through their tenacity, were starting to attract support for the unique nature of the town; that here is history encapsulated in an historic town—one of only eight designated historic towns in South Australia.

Saturday week ago I visited Terowie with my wife and drove around Terowie and spoke to the people of the town. Frankly, I believe that Terowie does have a future. It is on the main road to Broken Hill and, of course, it is also one of the possible routes into the Flinders Ranges which we see as attracting exciting and increasing visitor support. When surveys undertaken by Tourism South Australia and other bodies indicate that 85 per cent of visitors into the Flinders Ranges go by car, quite clearly, Terowie can benefit from those visitors.

When the goods had been seized, Mr Skinner then took legal advice. By then, of course, the goods were in Adelaide, but the legal advice was for him to take out an injunction to prevent the Commonwealth Development Bank disposing of those goods by auction in Adelaide. That injunction was granted. In fact, it eventually fell over, but it was interesting that at the hearing for the injunction the Master of the court was quite openly critical of the action of the Commonwealth Development Bank.

So I move this motion with some passion and some force. It is a clear example of a small business being steamrolled by a very big organisation. The largeness of the organisation does not always justify the legality or, indeed, the morality of its action. In this case I believe that the Commonwealth Development Bank's action was clearly immoral; it is, of course, for the courts to decide whether that action was legal. The problem that Mr Skinner has, of course, is that whilst he wishes to pursue a legal action against the Commonwealth Development Bank, he has no money. He is in a desperate financial situation. That is the reason why I have indicated that I am establishing a fighting fund for Mr Skinner.

I believe that the support that has already been shown by key people concerned with the plight of small business in Adelaide is an encouraging sign. One can refer to the article by Malcolm Newell in the *Advertiser* on Monday, 16 August. I also note the concern of Mr Ron Flavel, the Executive Director of the Small Business Corporation, who has made funds available to cover part of Mr Deryck Skinner's legal costs to date.

The Commonwealth Development Bank, it seems, has decided to tough this out believing that the strength of their organisation can crush the fight of this very small businessman who has been a linchpin in the township of Terowie. I must say that I was appalled to read the correspondence from the Commonwealth Development Bank to a person making inquiries about why it took the action that it did against Mr Skinner. A letter from the Commonwealth Development Bank addressed to one such person dated last year states:

> The unfortunate situation of Mr Skinner and the Terowie General Store is of course a matter of grave concern for the bank. However, whilst I would like to publicly defend the bank's actions, to disclose the full facts of the case would breach the confidentiality of the customer/banker relationship and would only further embarrass Mr Skinner. It is for these reasons that I do not intend to comment on the situation specifically, other than to say that the recent publicity does not disclose the true circumstances of the case.

One can respect the need to maintain confidentiality of customer/banker relationship, but what one cannot respect is the fact that the bank has put the shutters up and is trying, in my view, to defend the indefensible. I think there is no question that the bank should apologise to Mr Skinner for the action it took on the morning of Saturday, 18 November 1989 in seizing his stock and plant. I believe it should not only apologise but should also make full restitution. I want to say publicly that I am committed to fighting for Mr Skinner as, indeed, are the people of Terowie, and as are many key people in the business community in Adelaide. I think it is important that the Commonwealth Development Bank, and other banks for that matter, in these most difficult economic times establish a code of conduct, a code of behaviour which they will abide by in dealing with their customers.

I do not believe it is acceptable for the Commonwealth Development Bank to have seized those goods and ruined one man's life without any justification. I cannot see that as being acceptable. Quite the contrary, it is totally reprehensible, and I urge the Council to support the motion.

The Hon. I. GILFILLAN: I rise to support the motion. I share the Hon. Legh Davis's concern of the details as I have read them, principally from a report by Malcolm Newell in the *Advertiser*. I commend him on bringing it to the attention of the Council. Although I did not pay rapt attention to every word he said, for the record the instance and the unhappy circumstances surrounding it are now encapsulated in *Hansard* for all time. It is not my intention to comment on fighting funds or appeals for the public to contribute; that is another matter.

However, I would like to say quite categorically that I am convinced that the action of the Commonwealth Development Bank was totally reprehensible. It was a very dubious financial justification, and I think that it is appropriate that this Parliament expresses its concerns, which I hope it will do with a unanimous vote, to act as a caution to the heavyweights who can bully small businesses in particular and think that they will be able to bluff their way through and that eventually the dust of concern will settle and it will no longer be an issue in the public mind. So, I want to express very clearly on the record that I, and I believe my colleague, Mike Elliott, strongly support this motion—for its own sake and also as an indication that we totally reject the heavyhanded and inhumane attitude which was shown by the bank in this particular case. Such action should not be tolerated by that bank or any other. I support the motion.

The Hon. R.R. ROBERTS secured the adjournment of the debate.

PENAL SYSTEM

Adjourned debate on motion of Hon. I. Gilfillan:

1. That a select committee of the Legislative Council be established—
   - *(a)* to review the current penal system in South Australia;
   - *(b)* to investigate and assess proposals for change and reform applicable to the penal system in South Australia;
   - *(c)* to commend any changes considered beneficial to the penal system in South Australia; and
   - *(d)* to consider any other matters relevant to the penal system in South Australia.
2. That Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.
3. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence presented to the committee prior to such evidence being reported to the Council.

(Continued from 15 August. Page 279.)

The Hon. I. GILFILLAN: As I indicated last time I spoke, I believe that this select committee offers a unique opportunity for some constructive reform of the penal system in South Australia. Soon I will lodge with the Parliamentary Library a report of my study tour which took me to prisons in Denmark, Sweden and Finland, with discussions in other parts of Europe and the United Kingdom. I hope to present the report within the next couple of weeks, perhaps even next week, if I can get it in proper form. I urge members to browse through it, at least.

It is inappropriate to try to spell out in this debate what could be or should be implemented to reform the penal system in South Australia because, if my motion is successful, that will be the job of the select committee and I see it as presumptuous for me, in pushing for a select committee, to prejudge what I believe it should do. I will reiterate the statements that I probably made earlier and have certainly made outside this place, that the attitude, role and results of the penal systems as I observed them in

Denmark and Sweden particularly and, to a slightly lesser degree, in Finland, were remarkably attractive to me compared with my knowledge of penal systems in Australia and elsewhere, particularly the UK.

I am encouraged to believe that the select committee, if approached constructively, will have unanimous support from the Parties in Parliament. It is an ideal forum in which Mr Erik Andersen, the Danish authority, who has been to Western Australia and is coming to South Australia in the middle of September, can give evidence and be questioned, after he has viewed our prisons, on his first-hand report. Further to that, it will also offer an opportunity for all sections of the community, including correctional officers, representatives of inmates and, I hope, inmates themselves from all prisons in South Australia—the women's prison, open prisons such as that in the Riverland, and the Remand Centre—to air their concerns about all matters affecting these institutions in a select committee in a way that is not offered in any other forum.

As I said, it is not my intention to itemise what I see as potential areas of reform. I reassure the Council and the Government that the measures to which I was attracted in Scandinavia were not high-cost measures and, in some cases, led to a reduction in the cost of running prisons. With the Department of Correctional Services poised to look afresh at its task, with no election in the offing for some years, and with the unrest that has occurred in some of our South Australian prisons and in the UK, it is most appropriate that we set up a select committee with the urgency that it be in place, ready to receive submissions from Mr Erik Andersen.

Apart from that, I do not stress that it must have an immediate urgency but it would be a great pity if we were not able to offer a select committee to which we could invite Mr Andersen to submit evidence so that the committee could benefit from his presence in South Australia. I urge members to support the motion.

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

ASH WEDNESDAY BUSHFIRES

Adjourned debate on motion of Hon. K.T. Griffin:

1. That a select committee of the Legislative Council be established to consider and report on the nature and content of claims and the circumstances leading to the settlement of those claims against the Stirling council arising from the Ash Wednesday 1980 bushfires including, but not limited to, the nature and extent of the involvement of the State Government in the events leading to such settlement, the procedures leading to the settlement, the quantum and basis for the settlement of the claims, and the circumstances leading to the appointment by the Government of an administrator.
2. That Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.
3. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence or documents presented to the committee prior to such evidence being reported to the Council.
4. That Standing Order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

(Continued from 15 August. Page 293.)

The Hon. I. GILFILLAN: The Democrats support the establishment of a select committee, but I signal that it will be our intention to seek an amendment of the wording in the motion before the Chamber. It will be aimed at ensuring that the select committee will be able to receive submissions and consider matters relating to the fire from prior to the actual day, through the administration of respective Governments, to the present time. The Democrats feel that there should not be any verbal restriction, and the wording in the motion must satisfy us that that is the case. I believe that we will be able to have satisfactory discussions with the mover of the motion.

I also indicate that I will seek the removal of the word 'quantum' from the second last line of the first paragraph on the basis that, although I have no problem with the select committee's looking at the basis for settlement of claims and procedures, I do not see that the committee is the appropriate forum to make specific judgment on amounts awarded in damages claims. So, with those qualifications, I indicate that the Democrats will support the establishment of a select committee.

We believe, as we have for some time, that the events surrounding the fire and its aftermath were so significant, not only to Stirling but to the whole State, that a select committee is the best forum in which to tidy up as best we can any unfinished business and to look at the history, with lessons that may be learnt from that for the future. I feel sure that recommendations will come from that committee to alleviate future concerns.

Although there have been changes since 1980 which, to a large extent, would prevent a Stirling-type tragedy recurring in the aftermath of a fire, that does not mean that there are not still problem areas, and there should be analyses of what can be done to minimise the aftermath of a disaster of any type, not necessarily a fire. With the implications to local government generally, the Democrats have no hesitation in recognising that there should be a select committee to investigate this matter. With the cooperation of the mover in finding satisfactory wording, I indicate that the Democrats will support the motion.

The Hon. ANNE LEVY secured the adjournment of the debate.

SELF-DEFENCE

Adjourned debate on motion of Hon. Diana Laidlaw:

That this Council notes the petitions presented by 39 242 residents of South Australia concerning the right of citizens to defend themselves on their own property and praying that the Council will support legislation allowing that action taken by a person at home in self-defence, or in the apprehension of an intruder, be exempt from prosecution for assault.

(Continued from 15 August. Page 278.)

The Hon. C.J. SUMNER (Attorney-General): This motion of the Hon. Ms Laidlaw asks the Legislative Council to note a petition dealing with the issue of self-defence. That petition asks the Council to support legislation allowing an action taken by a person at home in self-defence or in the apprehension of an intruder be exempt from prosecution for assault. Basically, that is the law at present. People are entitled to defend themselves in their own homes from attack and are entitled to apprehend an intruder in their home. So, the action which the petition requests is, in my view, already available to a citizen.

Self-defence of course does involve some concept of reasonableness and must so do because one could not have a situation where one could claim self-defence but, in acting in self-defence, act in an excessive manner and cause damage or injury to another person that was out of all proportion to the attack in the first place. The obvious example is a

youth who is stealing apples from the backyard of a home and the homeowner takes out a shotgun and shoots the youth.

Community standards would be such that most people would not consider that to be a reasonable act to be taken by the homeowner in defence of their property. That is an extreme example of excessive self-defence but, in any debate in this area, there must be some concept of reasonableness. There must be some concept of action which is proportionate to the attack. It has been suggested by some that, rather than a concept of reasonableness, there should be a concept of being able to use sufficient force. If one looks at the meaning of 'sufficient', it is 'adequate'. If one looks at the meaning of 'adequate', it is 'proportionate'. In other words, whether you use the word 'sufficient' or 'adequate', you still come back to some concept of reasonableness. That is, one can use such force in self-defence as is proportionate to the attack.

What is reasonable in any circumstance is determined by community standards. In serious matters, it is very directly determined by community standards because a jury decides in any individual circumstance whether the self-defence was reasonable. The petition in its terms already states the existing law. However, there is no doubt that, in the community, there is concern about this issue. Much of that concern is based on a misapprehension of what the law is in this area, and there is no doubt from what I have heard on talk-back radio or read in newspapers, etc. (but particularly talk-back radio, because that is an ideal area for misconceptions to be spread) that there are many misconceptions and misunderstandings about the law in this area. Whether or not they are misconceptions, they have still given rise to genuine concerns within the community. That is why the Government, through the Minister of Education, my representative in another place, moved yesterday to establish a select committee.

I would commend to members the speech made yesterday by the Hon. Mr Crafter in the House of Assembly. I do not wish to fill up *Hansard* by repeating what he had to say. However, I particularly draw the attention of members to a statement of the law by a former Supreme Court judge, Justice Wells, in the case of *Morgan v Coleman*, where he set out the principles of self-defence in a clear and fairly readily understood way for ordinary citizens. I would hope that a reasonable examination of those principles as outlined by Justice Wells should serve to remove many of the more extreme misconceptions about the law which currently exist in the South Australian community.

Justice Wells, who is now retired, is a former Crown Solicitor and Solicitor-General in South Australia, and it would be fair to say that he is a highly respected legal authority and certainly was a well respected Supreme Court judge. I commend that statement of the law to any members who wish to peruse the matter, and I commend it to members of the public, because it is a statement which is reasonably clear and should be able to be understood by South Australian citizens. Because of this concern and, indeed, the misconceptions, the Government has agreed to establish this select committee.

I will respond to some of the comments of the Hon. Ms Laidlaw. She referred to the Liberal Party policy released at the last election, and said that I sought to belittle and deflect attention from the central issue by accusing the Liberal Party of refusing to name cases where housebreakers had laid charges for assault after being hurt when home owners sought to defend themselves. I was not attempting to belittle what the policy might have been. However, I was very concerned to ensure that the then Leader of the Opposition, Mr Olsen, was telling the truth about the matter. Regrettably, he was not, because he gave an example at a press conference of an elderly lady who he said had been charged by the police after she defended herself by hitting the offender over the hand when the offender was putting his hand through the door. Because of her actions, she was charged.

I was interested to establish whether or not there was any truth in that statement from Mr Olsen. For that reason, I requested him to provide details of when the example had occurred, because I knew that, in those circumstances, a person defending themselves or their property would not be charged. It was quite irresponsible of the then Leader of the Opposition, Mr Olsen, to spread, in effect, what was a lie about those particular circumstances. When, after some press comment and further pressure from me we got to the truth of the matter and the Hon. Mr Griffin then intervened, trying to rescue the Leader of the Opposition and writing long letters about what had happened, they were forced to admit that there was no such case. In fact, the elderly lady to whom they referred had intercepted and defended herself from the intruder. The intruder had left the premises and the lady certainly was not charged with an offence, as one would expect to be the case.

So, the example given by Mr Olsen at the press conference was just made up—there was no substance to it whatsoever. When we eventually got to the name of the person to whom he apparently referred, it was again found that that set of facts bore little resemblance to the facts as outlined at the press conference by Mr Olsen. In any event, no charges were laid against the elderly lady. So, it was part of an election campaign to put up a policy to deal with the issue of self-defence, but, in my view, it was not a legitimate part of an election campaign for the Leader of the Opposition, Mr Olsen, in effect, to make up a story to try to spread fear about this particular issue.

The Hon. Ms Laidlaw made some comments about the law, but I will not go into them. However, I do not believe that all the statements that she made about the law are correct, but a select committee can no doubt examine those and compare them with the statements of the law given by judges. In particular, I have referred to the statement by former Justice Wells. As she says, I have said that I do not believe that a change in the law is necessary. Certainly, I do not believe that a substantial change in the law is necessary, because there must always be some concept of reasonableness and proportionality in the issue of self-defence.

However, I am open-minded enough to say that the matter is a concern that should be looked at. As she says, the interstate codes can be referred to, if it is decided to codify the law in this area. For the interest of members, yesterday in the House of Assembly the Minister of Education tabled a discussion paper on this topic, and I commend that to those members who want a more profound explanation of the issues involved in this area.

The only other point that Ms Laidlaw made was that, in her view, a select committee was not necessary. I can only say that I think that this is in fact a classic case where a select committee can be used to good effect. I would have thought that an area where some doubts about the law had been raised and about which there was wide community concern (whether or not justified) would not necessarily be simple to resolve. I would have thought also that it was the sort of case where a select committee was the appropriate response.

Although the honourable member was critical of the creation of a select committee, it is interesting to note that, in another place, her colleagues in the Liberal Party were quite fullsome and enthusiastic in their support for the creation

of a select committee. Mr Stephen Baker, the Deputy Leader of the Opposition, said that he thought that a select committee was the most appropriate mechanism for a subject of this nature; Mr Stan Evans supported a select committee; Mr Wotton said, 'I support very strongly the establishment of the select committee,' and Mr Chapman said, 'It seems to me to be a pretty good idea.'

So, despite Ms Laidlaw being critical of the setting up of a select committee, I think—and so, obviously, do most of the Liberal members in the House of Assembly—that it is the best response to deal with an issue which, I acknowledge, is a matter of concern in the community. I hope that, as well as examining the law and whether it needs change, the select committee will also be able to operate as a forum for education and information to the community so that some of the wilder misconceptions that exist in the community about this area of the law can be put to rest.

The Hon. I. GILFILLAN: I indicate that the fact that the other place has moved for the creation of a select committee puts us in the position where we see no need to support the motion moved by the Hon. Ms Laidlaw. I agree with the Attorney-General's comments that the select committee is the most appropriate body to deal with the matter. If, after that committee has reported, it then appears there is a need to amend the legislation, I believe that would be the appropriate time for the Hon. Diana Laidlaw or any other honourable member to move such a motion. I indicate that the Democrats will not support the motion.

The Hon. C.J. Sumner: It is only a noting motion. I am not opposing it.

The Hon. I. GILFILLAN: Do I understand that the Government supports it? I am sorry about the confusion.

The Hon. C.J. Sumner: I am not opposing the motion because, on my interpretation of it, it is a motion that just notes the petition. I was merely explaining the Government's position.

The Hon. I. GILFILLAN: I thank the Attorney-General for the interjection, which indicated that he interprets the motion as being just a noting motion. I must admit that I read it as a very strong indication and a move by the Hon. Diana Laidlaw that the Council would support legislation which would not necessarily have been considered by a select committee. I am prepared to accept the understanding that the Attorney-General has given me that that is not the purpose of the motion, and I would welcome the establishment of a select committee in the other place. I indicate that that is the position of the Democrats on this matter.

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

DRUGS

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

That a select committee of the Legislative Council be established to consider and report on—

(a) the extent of illicit use of drugs;
(b) the extent of drug related crime;
(c) the effectiveness of current drugs laws;
(d) the costs to the community of drug law enforcement; and
(e) other societal impacts,

in South Australia with a view to making recommendations for legislative and administrative change in relation to illicit drugs which may be deemed necessary.

2. That standing Order 389 be so far suspended as to enable the Chairman of the committee to have a deliberative vote only.

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

In the past decade in South Australia, the number of offences involving the illegal use of drugs has increased from just under 300 per 100 000 people to just under 500. Concern about that increase and the increase in crime, corruption, pain and death that goes hand in hand with the official figures is what convinced me that now is the time to take a close look at South Australia's illicit drug problem. I believe that a select committee is an appropriate forum for this to take place.

Anecdotal evidence suggests that drug abuse in South Australia is increasing, as it is in other parts of Australia and the world. The problem with illegal drugs is that, being illegal, accurate data on just how many people are using them are virtually impossible to find. The very visible and publicised element of the 'harder' drugs, cocaine and heroin, are the end-of-the-line addicts, but it is estimated that recreational, or weekend users, of those drugs outnumber regular dependent users by two to one. Recent media reports about drug use in schools highlight the urgent need for us to know the extent of the problem we are facing.

It is estimated that almost half the inmates of Australian prisons are interned because of drugs. The extent of drug-related crime must be of concern to all South Australians in the face of increasing crime. House breakings, service station and bank robberies and muggings are increasing in South Australia, and we need to know how much of it is linked to illicit drugs. The anecdotal evidence suggests that there is a direct correlation.

The concerns that I am raising here echo somewhat a 140-page report by the Parliamentary Joint Committee on the National Crime Authority last year. The committee said:

> Over the past two decades in Australia we have devoted increased resources to drug law enforcement; we have increased the penalties for drug trafficking and we have accepted increasing inroads on our civil liberties as part of the battle to curb the drug trade. All the evidence shows, however, not only that our law enforcement agencies have not succeeded in preventing the supply of illegal drugs to Australian markets but that it is unrealistic to expect them to do so. If the present policy of prohibition is not working it is time to give serious consideration to the alternatives, however radical they may seem.

I may at times present a personal view here; what one thinks of that view is irrelevant in terms of the overall motion. What you must remember is that my view is based on the limited information now available in South Australia, and concern for the future of this State. It is that lack of information and a similar concern which should make one see that an examination of the extent of the illicit use of drugs in South Australia, our present treatment of drug use and the effect it is having on the State is needed.

Australia's present policy towards narcotics evolved from a mixture of xenophobic fears of Chinese immigrants, an out-of-control patent medicine industry, rivalry between pharmaceutical companies, and indirectly as a response to America's temperance movement. In fact, until about 1940, Australia imported more heroin per capita than any other developed country and it was legal. Narcotics use and addiction is not a new phenomenon in Australia.

When narcotics were outlawed, opportunity made the thief. The crime syndicates moved into the trade, operating in illegal ways. The main criterion for imposing criminal sanctions on particular behaviour is that it is harmful to others. Does this principle justify criminal sanctions against certain drugs, given that the crime associated presently with drugs is a direct result of their illegality? In Queensland last year Justice James Thomas said that the criminal law was too blunt an instrument and that it was difficult to mould an order, when sentencing a drug user, that would service

the community interest of deterring drug use and trafficking as well as taking into account the possible rehabilitation of the offender.

Criminalisation has fostered a close and profitable relationship between narcotics and organised crime. Those who have the most to lose from legalisation are those with the capital investment in the mechanisms of the black market. It will be interesting to note who screams the loudest at the proposal. The tougher the legal measure against drugs, the higher the price which can be asked for the drug, and the bigger the profits which can be made. Large, illegal empires need large and protected distribution networks. The profits dictate the extent to which those networks are protected. Just how far that protection will go is becoming evident in the violence on United States streets and the widespread corruption of public officials. It goes as high as the Mayor of Washington. On the far end of the scale is the campaign of terror and murder waged by the drug barons in Colombia.

The money invested in illegal drug operations can also be seen as a drain on the world pool of legitimate capital. The world trade in narcotics has been estimated by the US Senate to be worth around $500 billion a year. If the trade became legal and controlled, with prices which undercut the black market, the big dealers would have the most to lose.

Drug consumers are at the mercy of a totally unregulated market; they pay high prices for often dangerously impure drugs and they are moved on to more lucrative and dangerous substances through artificial supply restriction. Criminality amongst users trying to pay the inflated prices is widespread. A 1987 Bureau of Crime Statistics report found that almost three quarters of drug users support their habit with prostitution, drug selling and property crime.

The damage done by most narcotics is caused principally by the fact that the trade is illegal. Death and illness among drug users is caused mostly by the impurities mixed with the drugs, unhygienic implements, unsafe overdoses and the unlawful activities necessary to raise money for drugs. In 1988, the current affairs TV show *Page One* put a price tag on fighting drugs, prosecuting suspects and gaoling them, of $2.5 billion a year. That is the price tag for Australia. It is estimated that 50 per cent of Australia's prisoners are serving time for drug-related crime. Surely, we could ask ourselves whether that $2.5 billion could be used differently to tackle the problem.

The United States is an example of how the costs spiral. In 1980, just under $1 billion was spent on keeping narcotics out of the country; by 1988, it was spending almost $4 billion. But far higher is the price paid by the users who die of overdoses or poisonous adulterants: by policemen and ordinary citizens in the failing battle to prohibit drugs. Drug investigations are a huge drain on police resources, manpower and expertise. Because of the organised crime involvement, and the amount of money at its disposal, politicians, the judiciary and police become targets for corruption. We have already seen one significant South Australian police figure go to gaol in relation to drugs. We have watched the links between politics, the law and drugs being exposed in the United States.

As the drug dealers increase their activities, intensified law enforcement strategies are employed. The high costs and risks involved in enforcing drug law are seen as justification for increasing the infringement of civil liberties. We have seen that in the Parliaments of Australia, where increasing powers of phone tapping are extended in a desperate attempt to try to catch these criminals.

Money that could be diverted to education campaigns and rehabilitation centres is being spent on prosecuting and gaoling people involved in drugs—a process which is not succeeding in stemming the flow of the trade. Switching the emphasis of Government spending to discouraging demand rather than blocking supply would demystify drugs in the minds of potential consumers. The increasing number of adults giving up smoking is testimony to the fact that raising awareness of the risks involved with a certain practice does convince people to stop it. Under the cloud of illegality, little is publicised about narcotics, and myths abound, often spread by vested interests. Illegality, however, may actually encourage drug use by making it a symbol of rebellion against traditional social mores, surrounded by misinformation and mystique.

The alternative to prohibition is legalisation, but there are at least seven or eight variations on the legalisation theme. They range from minor changes to the law, as South Australians have already in the cannabis expiation scheme, to having drugs in delicatessens next to chocolate bars.

But let me point out that legalisation does not automatically mean commercialisation. I would see no place given the present attitudes towards tobacco and alcohol advertising, for the promotion of presently illicit drugs. Creating a Government controlled monopoly in narcotics has often been seen as one possible alternative to prohibition and the notion has support from all sides of politics in Australia. The creation of a controlled market, protected by the maintenance of the present high penalties for importation, would aim to remove drug users from the criminal process. This form of legislation would put strict controls on price, distribution and quality of drugs. Users would have access to pure drugs at a much lower price than is available on the black market. Their vulnerability to disease through unhygienic implements and also from the hazards of impure drugs would be removed. Such a system would eliminate much of the crime surrounding drugs. Users would not need to have contact with criminals or commit crime to sustain a habit.

The question is: how far should legalisation go? Supplying addicts would only have a partial effect in reducing the profitability of illegal dealing, by undercutting the black market. However, if the drugs were not available to anyone and everyone who wanted them, in whatever dose was demanded, there would still be an opening for a black market. In Australia it is estimated there are 30 000 to 50 000 regular dependent heroin users and at least 60 000 recreational non-dependent users.

Government control could facilitate the availability of counselling and rehabilitation resources, focused at selling points. The cost of those services could very well be equal to or less than the cost of law enforcement, but the effect would be arguably much more constructive. The stigma, however, of going to recognised, Government-run outlets would be a deterrent to the non-addicted recreational user. Once again it does leave a gap that the black market might fill.

Government-controlled drug dispensing would give out a clear message that drug use is acknowledged but not condoned by the community. It would also give the addicts the message that their problem is medical and social, not criminal. One of the arguments most often put up against any relaxation in drugs laws is that it leads to increased drug use. A recent study comparing the nine months before and the nine months after the introduction of the cannabis expiation scheme in South Australia found that cannabis offences continued to rise under the expiation scheme, but at a slower rate than had been the case in the years prior to the expiation scheme.

The report acknowledges that law enforcement patterns may change over time and that this may affect study results. However, the Office of Crime Statistics clearly states:

> Nonetheless, the research program does allow some firm conclusions. In particular, it can be stated unequivocally that introduction of CENs did not lead to any immediate change in the rate of detection of simple cannabis offences or in the type of people detected possessing or using cannabis. The study does not provide support for claims that introduction of an enforcement notice approach encouraged previous non-users to experiment with cannabis.

This is backed up by studies from Maine and Oregon in the United States which have adopted civil penalties for cannabis use.

The possibility of increased drug use is, however, a possibility if laws regarding other presently illegal drugs are relaxed. The repeal of prohibition in the United States saw alcohol consumption double within a decade and triple within 50 years. Alcohol, however, not only was legalised, but was commercialised. The legalisation of narcotics would not necessarily lead to similar increases in use, as was seen with alcohol. They would not, given the growing attitude against the promotion of alcohol and tobacco, be advertised or promoted.

Holland is fighting its drug war by another means. The Dutch police have strong powers against hard drugs, but they do not enforce them. That, they say, would turn a health problem into a crime problem. The drug trade in Holland is open and its victims looked after. People who have been to Holland have commented that they were concerned about the number of addicts that they saw on the streets. What they fail to recognise is that just because addicts are not on the streets in other countries that does not mean that there are not drug addict problems in those countries. In Holland there are no cocaine gangs, and tolerated traffickers do not need to bribe police to protect their outlets. The police guide sick addicts to welfare workers. Yet, amid all that drug freedom, consumption appears to be falling. The *Economist* reported earlier this year that in 1987, 1.7 per cent of Amsterdamers said they had used cocaine in the past year: and 6 per cent of New Yorkers said they had taken it in the past six months. In one country a blind eye is turned to the taking of drugs; in another there are very heavy criminal sanctions which are theoretically constantly enforced.

The existence of AIDS has added a new dimension to the debate over the appropriateness of the present drug policy. It has forced official bodies to openly recognise that the use of illegal drugs is part of our society. That drug use is a widespread practice is also being admitted, with anti-AIDS television campaigns depicting 'normal' people talking honestly of 'normal' events which led to their infection.

Legalising drugs, in a limited or unlimited way, may have an affect on the spread of AIDS. Just how dramatic that effect will be is one of the great unknowns. Barring the widespread use of non-reuseable syringes, people who share needles or practice unsafe sex now will not necessarily stop just because drugs are legal. However, drug users will be more easily targeted for education campaigns, they will be out of the prison system and into the medical system, and legalisation of self-administration could end the practice of the paraphernalia involved in drug use being discarded in public places.

Narcotics, in pure and measured doses, may not be any more dangerous than tobacco and alcohol, which are already available. Of drug-related deaths, 99 per cent are caused by alcohol and tobacco, but the hypocrisy in Australia's drug laws makes them legal and other drugs illicit. As legal substances, tobacco and alcohol can, to some extent, be controlled. They are only sold from licensed outlets to people over a certain age. They are a public health risk, and we pay the costs.

Should the criminal element from narcotics use be removed, much of the crime, disease and death associated with it would go, too. What we will be left with will be essentially a social health problem and not a criminal one. It is generally understood among the judiciary, police, academics and doctors, that prohibition does not curb the desire of human beings to use drugs. Australia has never been, and is never likely to be, a drug abstinent and drug free society.

We respectably and legally use alcohol and tobacco, and illegally use marijuana, cocaine and heroin. The people that want the illegal substances can get them, provided they can pay—despite their illegality. In Australia last year it has been estimated that 780 000 people used marijuana. The dangers of all drugs should be widely publicised. The drugs should not be advertised, but they should be available legally. The responsibility of use will be on the individual. Use will not stop but the inducements of the drug peddlers, including the tobacco companies, will be removed.

By calling for a review of drugs policies in South Australia, I am not condoning the use of drugs but accepting that they are part of our society. I believe, however, that the medical and social components of drug use and abuse can be better served by a system other than the criminal one. How that system is to operate to minimise the costs and maximise the benefits to South Australia needs careful and rational consideration.

In calling for the support of members for the establishment of a select committee to examine drugs policy, I am not asking that they take a stand one way or another on the question of prohibition or legalisation. I am asking that they have open minds, acknowledge that there are problems with the present system, and have a desire to confront them.

We have seen, in South Australia as everywhere else, drug use and crime increase alarmingly over the past few decades. Unfortunately, we do not know all we need to know about this increase, why it has occurred, the extent of the link between drugs and crime, and the effectiveness of current laws in combating it. Here, I have presented a personal view on the drug policy question and one possible solution as I see it. Whether or not members personally believe the laws should be toughened, relaxed or changed, I hope that all members in this place agree that the time has come for them to be examined. I urge all members of the Council to support my motion.

The Hon. G. WEATHERILL secured the adjournment of the debate.

[*Sitting suspended from 5.55 to 7.45 p.m.*]

ASH WEDNESDAY BUSHFIRES

Adjourned debate on motion of Hon. K.T. Griffin (resumed on motion).

1. That a select committee of the Legislative Council be established to consider and report on the nature and content of claims and the circumstances leading to the settlement of those claims against the Stirling council arising from the Ash Wednesday 1980 bushfires including, but not limited to, the nature and extent of the involvement of the State Government in the events leading to such settlement, the procedures leading to the settlement, the quantum and basis for the settlement of the claims, and the circumstances leading to the appointment by the Government of an administrator.

2. That Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.

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

4. That Standing Order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

(Continued from page 460.)

The Hon. ANNE LEVY (Minister of Local Government): On 15 August the Hon. Mr Griffin moved for the establishment of a select committee, ostensibly to enquire into the circumstances surrounding the occurrence and settlement of claims arising from the 1980 Ash Wednesday bushfires in Stirling. Members on the Opposition benches have said that a select committee is the only way in which all relevant information can be brought into the public arena. Indeed, the Hon. Mr Griffin said that pressure for a select committee has been building since early last year: pressure of their own making, Mr President. He said that there was puzzlement at the extent of the damages that have been paid: only because of the Opposition's own mischief, Mr President.

The Hon. Mr Griffin also reminded us that emotions are running high in the Stirling area. This is certainly the case and does not surprise me at all, given the role of ringmaster which has been adopted willingly by the Liberal Party in the circus that this Stirling debate has become. What humbug by the Opposition! What a factuous and transparent excuse for what amounts to no more than a blatant attempt to gain political mileage—

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: —from a tragedy which they refused to come to grips with when they were in Government and which they have studiously ignored for nearly all of the time since they have been in Opposition. I would have thought that people were heartily sick of hearing about Stirling. Everything that needs to be said about it has already been repeated at least five times. Certainly, the public and the rest of the local government community has made up its mind that temporary suspension of Stirling council has passed with barely a murmur outside the Stirling area.

South Australians accept that the Government's position in this matter has been patient and reasonable. They accept that Stirling council can reasonably afford to meet $4 million of a total debt that will reach nearly $15 million. They accept that Stirling council could not be permitted to ignore its legal responsibilities and that the members of the Stirling council left us with no alternative to their suspension. Most of all, the public recognised the Opposition tactics for what they are: empty rhetoric and vicious innuendo as a poor alternative to real policies and political responsibility.

The Hon. Mr Griffin spent most of his time explaining to this Council why they did not do anything about Stirling while they were in office. There was plenty of justification by him as to why the Tonkin Government did not do anything at all about Stirling between February 1980—

Members interjecting:

The PRESIDENT: Order! All members will have an opportunity to enter the debate if they so desire. The honourable Minister has the floor.

The Hon. ANNE LEVY: Thank you, Mr President. They do not like hearing what I have to say. There was plenty of justification given as to why the Tonkin Government did not do anything about Stirling between February 1980 and November 1982. It might surprise you, Mr President, particularly given the Opposition's propensity for tabling documents, that Mr Griffin said absolutely nothing about a letter which was sent by Murray Hill as Minister of Local Government on 27 June 1980, refusing Stirling council any financial assistance at all, even to the level of less than $23 000. That was the response from the then Liberal Government. They would not even provide $23 000 to Stirling.

Members interjecting:

The Hon. ANNE LEVY: I haven't got the letter. I will table the letter tomorrow, if you wish.

Members interjecting:

The PRESIDENT: Order! The Council will come to order, and the Minister will address the Chair.

The Hon. ANNE LEVY: What an affront, Mr President, to South Australian voters' intelligence for this Opposition, which made an art form of avoiding even token assistance to Stirling for nearly three years, to now seek to attack a Government which has, with great patience, managed to finally achieve a settlement of the claims against Stirling council.

Members interjecting:

The PRESIDENT: Order! The honourable Minister.

The Hon. ANNE LEVY: The Hon. Mr Griffin's contribution was followed by that of the Hon. Mr Stefani. That gentleman's performance left me only slightly less breathless than it must have left him after his two and a half hour epic. What a two and a half hours it was! In that time he set all sorts of new standards, even for the Opposition. He gave us the benefit of an incredible exposition in selective reading.

Members interjecting:

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

The Hon. ANNE LEVY: He was amazing in reinterpreting even the most basic and self-evident truths and in viewing them with totally opposite meanings. He showed the strongest commitment to ignoring the truth when it threatened to disrupt his flow of invective. But most of all he shared with us, yet again, his talents at using parliamentary privilege in his accustomed role of Liberal Party hatchet man to vilify the reputation of people unable to speak up for themselves.

Members interjecting:

The PRESIDENT: Order! The Council will come to order. The honourable Minister has the floor.

The Hon. ANNE LEVY: The Hon. Mr Stefani's grand strategy seems to me to imply that the Government's actions during 1989 were motivated by thoughts of a State election. That is patently ridiculous.

The Hon. J.F. Stefani: Absolutely spot on.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Not even the thought of Mr Stefani and his colleagues would engender feelings of optimism within the Labor Party about the 'Blue Hills' of Heysen. I will demonstrate in my response to some of Mr Stefani's comments that the true situation was vastly different, that the Government's relationship with the District Council of Stirling was, at all times, proper and reasonable and the actions of the council made the Mullighan process both possible and necessary.

Members interjecting:

The PRESIDENT: Order! The Council will come to order.

The Hon. ANNE LEVY: It was most certainly not a case of Big Brother forcing its will on a small council.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Before responding specifically to some of the more—

Members interjecting:

The PRESIDENT: Order! There are too many interjections.

The Hon. ANNE LEVY: Before responding specifically to some of the more ludicrous assertions with which Mr Stefani regaled us last Wednesday, I need to touch on a matter that is basic to this whole issue and the stance that the Bannon Government has taken consistently. That matter is the extent to which it would have been proper for the Government to dictate to the Stirling council the manner in which it should conduct itself in handling the settlement of the 1980 bushfires. Even though councils are established under State Government legislation, they have clear independent powers and responsibilities. As I have said on many occasions in the past, councils cannot have the luxury of exercising those powers without also facing the consequences that flow from their decisions.

These powers have not been given lightly and it is not the case that councils have the luxury of using them only when it is convenient to do so and handing them back to the Government on other occasions. If they have powers, they have responsibilities, and must face the consequences of their own decisions. In the case of the 1980 fires, it was a very serious incident that our legislation clearly intended the Stirling council to be responsible for, both in terms of management and consequences if liability was proven against it. Bear in mind all the time that this was a matter of dispute between the council and some of its residents. It was not for the Government to take sides, either for the council or for those who suffered damage from the fires. It was up to the Stirling council to make informed and responsible decisions about whether or not to defend itself against damages claims in court or whether it should consider out-of-court settlements with the plaintiffs.

It would have been most improper for the State Government to impose its views on Stirling council. Intervention by the State Government would have been a most serious intrusion into the council's affairs and, I am sure it would have been roundly condemned by the Opposition had it done so. The only proper stance for the Government to take was that of non-involvement, to provide advice to the council when it was asked for, just as it would have done for any other council, and otherwise to take a position of impartiality in relation to both the council and the plaintiffs.

Is the Opposition really suggesting that the Government said to Stirling council, 'You must settle out of court; you are not allowed to test your own convictions in a court of law, despite the views you have formed about your own lack of viability?' That would have been an outrageous attitude for the Government to take, and the Hon. Mr Stefani knows it. This was a matter which, rightly or wrongly, the Stirling council had to decide for itself. Government intervention would have been a gross intrusion on Stirling's rights, as well as extreme contempt for the justice system of this State.

Let me now place on record the true sequence of events in their proper context. Context is an aspect that has been conspicuously absent from the Opposition's comments to date, probably because it has not suited its purposes. Like Mr Stefani, let me, too, go right back to the beginning. The fires started in a rubbish dump at Heathfield operated by F.S. Evans and Sons Pty Ltd under a licence issued by the District Council of Stirling. I make that statement quite confidently, knowing that the Supreme Court has now said on three occasions that that was the case. I therefore thought it—

The Hon. J.F. Stefani: That is not denied.

The PRESIDENT: Order!

Members interjecting:

The Hon. ANNE LEVY: I therefore thought it interesting—

Members interjecting:

The PRESIDENT: Order! The Council will come to order.

The Hon. ANNE LEVY: Why don't you throw them out, Mr President?

The PRESIDENT: There wouldn't be anyone left! The Council will come to order. The honourable Minister has the floor.

The Hon. ANNE LEVY: Last week, I found it very interesting that Mr Stefani seemed to be questioning the juristic wisdom of such a view when he suggested that perhaps the Aldgate Valley fire might have been separate from that of the Heathfield dump. I hope—

The Hon. J.F. Stefani: That was a QCs opinion.

The PRESIDENT: Order!

The Hon. ANNE LEVY: I hope that Mr Stefani shared his wisdom on this matter with the Supreme Court which has said three times that the fires in Aldgate and Stirling started from the rubbish dump at Heathfield operated by F.S. Evans & Sons Pty Ltd under a licence issued by the District Council of Stirling. The record states that the fires in the Aldgate Valley resulted from a revival of a fire that had occurred at the Heathfield dump 15 days previously. The Supreme Court subsequently found that the Stirling council was aware of the earlier fire, that it was aware of the risk of its revival, that it knew that firefighting equipment at the dump was inadequate and that it was aware of the extremely high fire risk on 20 February 1980, the day of the Ash Wednesday fires.

The Hon. T. Crothers: This was all in the court's findings?

The Hon. ANNE LEVY: Yes, I am quoting from the court. In August 1984, in the case of *Delaney v Evans*, Justice Prior of the Supreme Court found F.S. Evans & Sons Pty Ltd and the Stirling council jointly and severally liable for negligence and nuisance causing a major fire. This decision was upheld in May 1985 following an appeal to the Full Supreme Court. F.S. Evans & Sons Pty Ltd soon went into liquidation, with total assets of only $12 000.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: This left the District Council of Stirling to assume full liability for the damages that had yet to be quantified. Following the Supreme Court's decision, some 200 claims for damages were lodged against the Stirling council. The next step everyone expected was the quantification of these damages claims, a process which would be lengthy and costly. In September 1986, Stirling council's legal representatives approached the Government for advice on the relevance of a High Court decision involving the Sutherland Shire Council in New South Wales in an action brought against it by a Mr Heyman. That action bore directly on a council's duty of care, and Stirling council's legal advisers were considering whether the decision in the Heyman case justified a further test case in relation to the Stirling situation.

Following an approach by the Crown Solicitor, after that office had been approached by the Stirling council, the Solicitor-General advised that the Heyman decision might have been of relevance to the Supreme Court decision in the Delaney case. The Solicitor-General specifically advised:

> If the case is to be fought again, it would be desirable to make every effort to agree facts and to avoid unnecessary evidence. To my mind, there would be much to be said for agreeing that Prior J. was correct on the cause and origin of the fire, confining the dispute to the question of duty of care. I do not know, however, whether it would in fact be possible to limit the ambit of the evidence.

The Solicitor-General's advice was provided to the council's solicitors on 20 November 1986. It was provided for their information only and it was made clear that they should seek their own independent advice on the same matter. It is true that the Government indicated that it might be prepared to assist in an appeal relating to the *Sutherland v Heyman* case. In fact, the Andersons plaintiffs offered to waive the time limit relating to High Court appeals to make it possible for the Stirling council to test the relevance of the Heyman decision to the council's Delaney case. I should point out that such an action would have been relatively inexpensive, and I am advised it could have been resolved fairly quickly with legal costs considerably less than $100 000. Stirling council, by itself, chose to reject this course of action and decided instead to relitigate the entire Delaney case, leading directly to an extended court battle between Stirling council and the Andersons plaintiffs, an action which we now all know cost millions of dollars and became a war of attrition between the parties in which no facts were agreed and even such petty matters as residential addresses had to be strictly proven.

It was this matter on which the Hon. Mr Stefani bases his assertion that the Government encouraged the District Council of Stirling along its path of litigation. If we are talking about the Heyman case and testing its relevance to the Stirling situation, that is absolutely correct. The advice from the Solicitor-General was provided to Stirling council at its request in good faith as a sound strategy that had the potential of not only bringing the bushfire dispute to a much earlier resolution but, at the same time, saving millions of dollars in unnecessary legal fees. It is typical of the Hon. Mr Stefani's marathon that he even seeks to turn this most positive and promising initiative by the Government into a completely false image of the poor Stirling council being forced into court by an interfering State Government. It is a matter of record, Mr President—

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: —that Stirling council chose not to accept the advice that it had asked for with consequences that have been of benefit only to a small army of lawyers who have made the Stirling fires a growth industry in the legal sector.

That brings me to the next point on which I need to challenge the Hon. Mr Stefani's rather peculiar view of the world. Having erroneously tried to prove that the Government encouraged Stirling council to defend itself in the courts, the Hon. Mr Stefani then proceeds to accuse the Government of trying to force Stirling council into an out-of-court settlement of the claims against it. I should add that the Hon. Mr Stefani is not the only person confused. I am sure that many members will admit to a similar degree of confusion as a consequence of his 2½ hour contribution last week.

Just to correct the context surrounding these matters, I should point out that Stirling council's legal advisers wrote to the Department of Local Government on 23 December 1987. In its letter, Finlaysons advised that the total claims against the council stood then at some $10 million and that costs to defend Stirling council in the case that it had decided to relitigate were likely to be about $500 000. That letter pointed out that, in the opinion of Finlaysons (Stirling council's legal advisers), it would be possible to negotiate a settlement out of court with a potential saving of millions of dollars. Finlaysons wrote again on 4 February 1988 suggesting that the claims against Stirling council might be settled for as little as $5 million. In referring to the council's prospects in court, this letter from Stirling council's legal advisers stated—

The Hon. J.F. Stefani: Did you make the money available?

Members interjecting:

The PRESIDENT: Order! Honourable members have spoken in the debate and were listened to with a reasonable amount of decorum. I would hope the same courtesy is given to the Minister.

The Hon. ANNE LEVY: Thank you, Mr President. The letter from Finlaysons, the council's legal advisers, stated:

> There are real risks of an adverse decision to the council.

The Hon. T. Crothers: And that was its own counsel!

The Hon. ANNE LEVY: Its own counsel. At a subsequent meeting with the Attorney-General on 5 February 1988, a meeting which had been requested by Finlaysons and Stirling council, Finlaysons were advised that, in the Government's view, the prospects of an out-of-court settlement should be investigated. Between February and June 1988, on a number of occasions the Government repeated its suggestion that settlement should be considered. This was done not only through correspondence between the Government and Stirling council but also at a meeting between the council and senior Government officers. An objective assessment of Stirling council's case indicated that there was considerable doubt about the prospects of a successful defence of the damages claims against the council.

Whilst it was always made clear to the council that the decision to relitigate or to settle was one for the Stirling council to make, it was our view that such a decision should be made in a manner that had proper regard not only to the extremely high cost of litigation but also to the real risk that such a defence would ultimately fail. It is a matter of record that Stirling council chose not to heed the Government's advice. Relitigation of the liability trial commenced in April 1988. The case took 103 sitting days and, when the judgment was delivered in November 1988, Stirling council, for the third time, was found liable. I repeat, Mr President, that Stirling council deliberately decided to pursue litigation rather than seek an out-of-court settlement which might have been achieved for as little as $5 million or $6 million. The money spent by the council on legal costs alone in this retrial of the Delaney matter, about $2 million, forced a rate increase on Stirling residents of about 25 per cent. That court decision in November 1988 had still only taken matters to the stage of once again proving Stirling council's liability.

The big issue of quantifying the damages that Stirling council would be required to meet was still to come. For its part, following the November 1988 judgment, the Government very quickly foreshadowed financial assistance for Stirling council in funding those damages. In this Chamber on 14 November 1988, the then Minister of Local Government (Hon. Ms Wiese) foreshadowed that the District Council of Stirling would only be required to meet up to one-half of a total liability which was estimated could be as high as $15 million. On 15 November 1988, she said that it should not be necessary for Stirling council to impose an additional real rate burden on its ratepayers for the purpose of covering the cost of bushfire claims over and above that which had been imposed already in the council's 1988-89 budget.

On 21 December 1988 Stirling council sought the Government's assistance in settling claims against it. This resulted in discussions between the Crown Solicitor, the council and the plaintiffs to see if a settlement on the level of damages could be achieved. Discussions continued throughout January, but to no avail. For their part, the Anderson plaintiffs

were claiming a minimum and non-negotiable $13 million. For its part, the council was prepared to offer only $1.3 million, plus costs of about $2.7 million. The Hon. Mr Stefani asks whether these figures are fair. I cannot comment—what was offered by the council and claimed by the plaintiffs are a long way from each other.

Despite very strenuous efforts, agreement on an out-of-court settlement process could not be achieved and the damages trial commenced in early April 1989. I should point out again, Mr President, that if agreement had been reached at that stage another $2 million in legal costs could have been saved.

What followed then was the May 1989 local government elections, which resulted in a Stirling council that retained only one member out of the 10 on the previous council. It is particularly from this point that Mr Stefani embarks on flights of fancy in his attempt to denigrate the Government's efforts to assist in securing a fair and proper settlement to this matter, which had by then been going on for more than nine years.

Within days of the election, the new members of the council, with Mr Michael Pierce as its Chair, were threatening to withdraw totally from the defence against the damages claims. This cavalier and novel approach was based on a Dr Strangelovean attitude that, since it could not afford to pay, say, $10 million, it did not really care if the final bill was $30 million. This attitude, not surprisingly, prompted my letter of 16 May, to which the Hon. Mr Stefani referred, in which I pointed out to Stirling councillors what their responsibilities were. This was accepted by the new councillors, who very quickly thereafter became interested in pursuing the prospects of an out-of-court settlement and commenced discussions with the Anderson plaintiffs.

Following discussions with both the council and the Andersons, the Government agreed to put in place the Mullighan process. In the first instance, this involved the appointment by the Government of a legal adviser who would form an opinion on what he considered to be the value of claims made against the council. I will detail shortly how Mr Mullighan's brief was subsequently amended.

Two letters exchanged at this time between the council and the Government on aspects relevant to the Mullighan process have been used out of all context by Mr Stefani in his speech. The letters from which he selectively quotes are dated 30 May 1989 from Stirling to the Premier, and the Premier's subsequent response dated 6 June 1989. To make the meanings perfectly clear and so that people can judge for themselves any comments in context, I seek leave to table both letters.

Leave granted.

The Hon. Peter Dunn: We have got a copy of them.

The Hon. ANNE LEVY: Perhaps you can read them now. Mr Stefani's assertion that they prove that the Government was forcing its will on the Stirling council could not be further from the truth. In fact, rhetoric aside, the letter from council's Chair of 30 May 1989 makes clear to all that the council was yet again threatening to withdraw from the court case unless the Government agreed to pay council's ongoing legal costs in the event of the Mullighan process breaking down.

The Hon. R.I. Lucas: That's rewriting history.

The Hon. ANNE LEVY: That's what the letter says—read it.

The Hon. R.I. Lucas interjecting:

The Hon. ANNE LEVY: I am not; that is what the letter said. The Premier's response of 6 June was to inform Stirling council of the Government's agreement to its demand. I point out that Mr Pierce responded the following day, on 7 June, as follows:

> Council was delighted to receive your letter of 6 June 1989 which, in effect, removed a fundamental stumbling block to the establishment of procedures to more effectively and efficiently deal with bushfire claims.

That does not sound to me like a response from a council which has just been forced, in Mr Stefani's words, to succumb to their political masters. Following this major—

The Hon. J.F. Stefani: Have you forgotten the bit where he asked you to obtain full documentation for the payments?

The PRESIDENT: Order!

The Hon. J.F. Stefani: You forgot that bit.

The PRESIDENT: Order! The honourable Minister.

The Hon. ANNE LEVY: The needle is stuck in the groove. Following this major concession by the Government, the Mullighan process was quickly established. As I have already said, Mr Mullighan's initial task was to advise the Government, the council and the plaintiffs of what he considered to be the worth of damages claims against the council.

The Hon. T. Crothers: Why was fast tracking all right then for the Stirling council but not all right today for the same council?

The PRESIDENT: Order! There is too much conversation going on. The Minister should be heard in silence and given a bit of courtesy in the Chamber.

The Hon. ANNE LEVY: Mr Mullighan commenced his task on 7 June 1989. I should point out that the claims lodged by the Andersons plaintiffs were in excess of $16.5 million. During the course of his investigations, it became apparent from discussions with the plaintiffs' legal advisers that there was some prospect for an early settlement.

The Hon. L.H. Davis: With $16.5 million you've got a bit of room to manoeuvre, I would have thought.

The PRESIDENT: Order!

The Hon. L.H. Davis: Bit of meat in the freezer.

The PRESIDENT: Order!

The Hon. ANNE LEVY: This was from 14 different claimants. On 22 June 1989 Mr Mullighan advised that he thought the claims could be settled for $9.5 million. As a result, the Government varied Mr Mullighan's brief to ask whether or not in his view settlement of the Andersons—

The Hon. J.F. Stefani interjecting:

The PRESIDENT: Order! The Hon. Mr Stefani will come to order.

The Hon. ANNE LEVY: On 22 June 1989 Mr Mullighan advised the Crown Solicitor that he thought the claims could be settled for $9.5 million.

The Hon. J.F. Stefani: Is that documented?

The Hon. ANNE LEVY: I think it was probably verbal, but I do not know; I have not seen the document.

Members interjecting:

The PRESIDENT: Order! The Council will come to order.

Members interjecting:

The PRESIDENT: Order! The honourable Minister.

The Hon. ANNE LEVY: As a result of this, the Government varied Mr Mullighan's brief to ask him whether or not in his view settlement of the Andersons claims for that amount would be reasonable. On 14 July 1989 Mr Mullighan advised that he was of the opinion that $8.5 million for all claims other than that by Nicolas Casley-Smith was not unreasonable, but that he would need at least another two weeks to provide advice on the claims involving Nicolas Casley-Smith.

On 19 July Mr Mullighan advised that a settlement of $9.5 million for all the Andersons claims, including Nicolas Casley-Smith, was not unreasonable, after taking account of

the risks and other factors involved. I point out that Mr Mullighan gave some detailed consideration to the evidence in respect of all the Andersons claims, except that of Nicolas Casley-Smith.

These latter claims would have had extensive further considerations, but this was precluded by the strict time limitations that were placed on the process by Stirling council itself. Mr Stefani's assertions notwithstanding, correspondence from Michael Pierce dated 19 July 1989 makes clear that Stirling council was delighted with the Mullighan process and asked for it to be continued in relation to the other outstanding claims against the council. Not a word of complaint about either the process or the level of payments was made. Since Mr Stefani was given such open access to documents by the suspended councillors, why did he not refer to this letter in his speech? Why did he refer only to the letter of the same date from the council's solicitors, in which they recorded their reservations about the proposed settlement?

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Mr Stefani chose to quote from the letters of Finlaysons of 19 July, but not from the letter from Stirling council of 19 July which expresses its delight with the Mullighan process—

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: —and requests that it be continued for the other claims. This is a perfect example of the selective reading and distortions of fact in the honourable member's efforts to sustain the unsustainable. It is interesting too, Mr President—

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: —that Mr Stefani's reinterpretation of history concludes not long after the Mullighan process. Conspicuous by its absence is any comment about the actions of Stirling council in the months following the settlement of the claims. Having transferred its legal liabilities from the claimants to the Government, the lack of the council's *bona fides* soon became apparent.

The Hon. Mr Stefani interjecting:

The Hon. ANNE LEVY: I am talking about September 1989.

The PRESIDENT: Order! The debate would go much smoother without interjections. The Minister is doing very well without other members helping her.

The Hon. ANNE LEVY: Thank you, Mr President. I agree; I am doing a very good job. Mr Stefani says nothing about the council's debenture agreement, securing the loans from which the damages payments were made. He says nothing about the council's obligations under that debenture to make arrangements with the Government about the discharge of that debenture before 31 March 1990. He says nothing about its obligations to take part in a joint committee that was to report to me on the financial capacity available to the Stirling council to meet part of the final liability.

I think it is now clear that it was never Stirling council's intention to participate in a genuine, negotiated agreement with the Government. Having succeeded in having the Government fund the payouts to the plaintiffs by way of a loan, it proceeded in a fully cynical manner to try to force a soft settlement from the State Government. Although this is disappointing, these tactics were not unexpected and have not deterred the Government from its efforts to achieve an equitable outcome. What is disgraceful and unforgiveable, however, is the even greater cynicism that has been displayed by the Liberal Opposition in exploiting a sad chapter in local government history for its own short-sighted political aims. I must say, however, that all this pales into grubby insignificance in comparison with Mr Stefani's appalling allegations and innuendoes about the Mullighan process, and some of the plaintiffs who received payments through it.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: The honourable member has made a great to-do about what he asserts are grossly inflated claims for damages by plaintiffs.

Members interjecting:

The PRESIDENT: Order! The Council will come to order.

The Hon. ANNE LEVY: He has taken great pleasure in incorporating in *Hansard* documents that he has received surreptitiously from those in Stirling who are foolish enough to play his games. Most of his material consists of commentary by the council's legal advisers about the merits of various claims for damages. Most of the discussion outlines the basis of the intended defence against those claims. Given that these documents are from the same solicitors who defended the council during the liability trials, it can be no surprise to anyone that the letters are critical of the claimants. The real point is that neither the claims by the plaintiffs nor the counter arguments by Stirling solicitors, as Mr Stefani admits freely, have not been tested by the courts. Instead, they have—

An honourable member interjecting:

The Hon. ANNE LEVY: They have not been tested by the courts.

An honourable member: They were never tested.

The Hon. ANNE LEVY: They were never tested by the courts.

The PRESIDENT: Order!

The Hon. ANNE LEVY: I understood last week that the Hon. Mr Stefani agreed that the claims had never been tested in the courts. Instead, as is probably the case with 90 per cent of damages claims, they have been settled out of court. Therefore, I think it improper in the extreme for Mr Stefani to lay such an obviously one-sided and self-serving account before us.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Although he claims that his only interest in this matter is, in his words, to ensure justice for all and to ensure that everyone who has been affected by this tragedy receives fair treatment—

An honourable member interjecting:

The PRESIDENT: Order! The Hon. Mr Stefani will come to order.

The Hon. ANNE LEVY: Mr Stefani has not made the slightest effort to bring some balance to his account. Despite his allegations against the Casley-Smith family, for example, he has made no attempt to place on the record anything in any way resembling the other side of the story. He has appointed himself judge and jury and has most clearly declared them to be guilty. The way in which he conducted himself in this matter is a disgrace and can only bring discredit to this Parliament. It is an abuse of privilege for Mr Stefani to bring to this Parliament a distorted version of events in a way which he must realise is a serious denial of natural justice. There may have been some excuse—

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: —if he had made an effort to present a balanced account of events. He did not, and he stands condemned as a bully who believes in anything but

what he claims to believe in, namely, to ensure justice for all.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: The facts in this matter are relatively simple, despite the attempts of the Opposition at obfuscation and distortion. The 1980 bushfires were caused through the joint negligence of the Stirling District Council and F.S. Evans and Sons Pty Ltd. This was confirmed on no fewer than three occasions by the Supreme Court. The council chose not to seek out of court settlement of the claims against it and thereby confirmed its course on a high risk strategy that exposed it to massive costs. I remind members that in 1981 or 1982 the claims could probably have been settled for $2 or $3 million. In 1987 they could still have been settled for $5 or $6 million, but advice to consider such a course was consistently rejected by the Stirling council.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Against a background of a commitment by the council to continue litigation, the Government advised the council to test a key pointed issue in front of the High Court as a low cost alternative to a full relitigation of the Delaney case. The council's rejection of this advice directly added millions of dollars to the final Bill.

The May 1989 local government elections resulted in an opportunity to finally achieve settlement of the longstanding dispute. To its great credit, the suspended members of the council entered, with the plaintiffs, into a fast-track settlement. Claims for a total of about $25 million were settled for $14.3 million, and further legal costs of about $5 million were avoided, as indicated by Mr Mullighan.

The Government's adviser certainly formed the opinion that the amounts which that had been offered by the council to settle the claim against it were insufficient to protect it from having the plaintiffs' legal costs awarded against it had litigation continued. So, the council was extremely likely to incur this further $5 million in legal costs alone.

Mr Mullighan also advised that settlement at $14.3 million was reasonable in all of the circumstances. The claims were settled for money borrowed by the council from the State Government—I repeat: borrowed by the council from the State Government. The council agreed that it would participate in a joint committee to report to me on its capacity to meet part of the total financial liability. Council withdrew from that process in November 1989 in a move which it doubtless thought would force the Government into a soft settlement in the then lead-up to the State election. But that tactic failed. The Government's own analysis of the council's ability to sustain at least $4 million of the total debt—

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY:—has been confirmed by its budget outcome for 1989-90 where, despite paying $120 000 in remaining legal costs, an effective operating surplus of more than half a million dollars was achieved by Stirling council. This is further confirmed by the 1990-91 budget introduced by the council's administrator, which accommodates comfortably a repayment instalment of $400 000 on its loan from the Local Government Financing Authority without raising rates by more than about the inflation rate and without selling off any assets and still managing to improve services to many areas of the community. This surely puts the lie to the council's constant claim that it could not afford to repay $4 million without raising the rates by 22 per cent. Let me remind the Legislative Council again that this $4 million is only 28 per cent of its total debt, and that the taxpayers of this State are reluctantly having to pick up 72 per cent of the tab.

As I have already detailed on an earlier occasion, the intransigence of the council in refusing to meet any of its debt or negotiate on its payments left no alternative to the appointment of an investigator. Mr Whitbread's report, produced in May but tabled in this Council on 2 August, clearly indicated that there was no option for a responsible Government other than the suspension of the council, which duly occurred on 14 June.

Thanks to the remarkable efforts of the administrator (Des Ross) it will be possible to restore the elected members to office on 31 August. This is despite the activities of some Opposition members who have favoured Mr Ross with their presence during a number of his council meetings, the outcomes of which we have all seen on television and in the newspapers. This is from an Opposition that has aspirations of leadership and whose members have been party to the completely unwarranted public vilification of a man who has been working night and day with only one objective in mind—the early restoration of the suspended council. I assure those members that their presence in the front rows of those meetings has been well and truly noted by the public. Can they really think that this sort of exposure will help them in some way?

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: The motion to establish a select committee is nothing more than a farce. It will be a monumental waste of time with its sole objective being to provide a forum for political grandstanding by the Opposition. What a shame the Liberal Party does not instead devote its energy to developing a few policies—one on local government would do nicely for a start, Mr President.

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

NATIONAL FREIGHT INITIATIVE

Adjourned debate on motion of Hon. Diana Laidlaw:

That this Council—

1. Endorse the recommendation in the report 'National Freight Initiative' by consultants Booze-Allen and Travers Morgan in relation to the establishment of a national rail freight organisation to perform the interstate rail transport task;

2. Considers that the Adelaide-based Australian National has the proven expertise and vision to be the manager operator of a national rail freight business; and

3. Requests the President to convey this motion to the Prime Minister and the Federal Minister for Land Transport.

(Continued from 15 August. Page 303.)

The Hon. T.G. ROBERTS: I support the motion, but do so with some caution because a number of negotiations that are presently occurring will involve this State in discussions at a Federal level. As Hon. Miss Laidlaw said, she moved this motion to gauge support from this side of the Council. We do support the sentiments of the three points made in the motion. As to No. 1, I add a precautionary note that the Booze-Allen report contains some discrepancies that not all Parties agree to, although I guess where you have tripartite discussions there is never general agreement on a report that is brought down. I will explain that point in more detail a little later in my contribution. Point No. 2 states:

That this Council considers that the Adelaide based Australian National has the proven expertise and vision to be the manager operator of a national rail freight business;

I do not think that anyone would deny that. Australian National has a good track record of management, and it was one of Whitlam's initiatives to transfer the State rail system to the Federal Government. I think that that was one of the more far-sighted policies that Whitlam had in a national initiative, to try to restructure the rail system and integrated road transport systems into it.

Unfortunately, not all the other States agreed with the national rail policy that was put forward by Whitlam at that time. However, Don Dunstan took advantage of it, as did Tasmania, by transferring its rail system over to the Federal rail system. This started, I hope, the formation of a national rail grid, which means that through the National Freight Initiative, we should see a greater cementing of those early discussions to assist not only with transport restructure but also industry restructuring. We should be able to move our imports and exports around Australia in a more effective and efficient way.

Point 3 requests the President to convey this motion to the Prime Minister and the Federal Minister for Land Transport and Shipping Support, and I find no problem with that. The background to the National Freight Initiative began in October 1989, to evaluate options for a viable interstate or national railway freight business under a single management. A committee was formed by representatives of the five Government-owned railways, the ACTU, BHP, three major freight forwarders (TNT, Mayne-Nickless and Brambles), and Mr E.W.A. Butcher (representing the Federal Minister for Land Transport and Shipping Support, the Hon. Bob Brown).

The Hon. Ms Laidlaw refers to statements made by Sir Arvi Parvo in his reference to restructuring and the inherentness in Sir Arvi's statement as to the urgency with which the restructuring has to take place. I do not think anyone would disagree with that. The ACTU and the major union in that restructuring process is cooperating and putting forward views and ideas and, as I said, the timing of the motion that has been put before us is probably pre-empting a lot of the discussions that will emanate over the next couple of weeks.

The Hon. Diana Laidlaw interjecting:

The Hon. T.G. ROBERTS: One of the problems relates to the States' contribution to the national rail grid. This is one of the problems that we find ourselves now with three different rail systems and a myriad of regulations and rail gauges. It was the States' attitude in the early stages of the setting up of the national transport grids that needs to be overcome. I think that at some stage the States will have to bow to the Federal Government's plan, and the national restructuring plan, and that is where the pain will be, in the negotiations with some of the States which will have difficulties in transferring some of their responsibilities back over to the national rail grid.

The NFI Committee commissioned consultants (Travers Morgan Pty Ltd and Booz-Allen & Hamilton [Australia] Ltd) to report to it on the financial and economic benefits likely to occur with each of six business strategy scenarios, and on any preconditions required to achieve these benefits. The consultants' report, received on 30 March 1990, concluded that a single enterprise responsible for all national freight could become profitable within a reasonable time, and could yield substantial national economic benefits, provided that certain preconditions were met. The committee accepted the consultants' conclusions, and decided to propose to Federal and State Governments that a single organisation be given responsibility for national freight and that a package of supporting measures be put in place.

A National Rail Freight Corporation (NRFC) would involve Federal and State equity participation in a company-type corporate body. The NRFC should commence business from 1 July 1991, and encompass all of the railways' existing interstate business. Any community service obligations (CSOs) would be funded and organised separately. Again, that needs to be discussed, debated and negotiated with sensitivity because of some of the social justice obligations that are included in any restructuring program.

Its corporate goal would be to earn a rate of return sufficient to fund all investment from non-government sources (including internally generated funds) without reliance on Government guarantees. The proposals would result in establishment of a railway enterprise radically different from any currently operating in Australia. It would be an incorporated company integrated across State borders, operating at cost levels significantly below those now prevalent in the rail system, in an environment of competition or contestability for the supply of most functions which have traditionally been sourced internally. By exploiting rail's unique potential to offer a 'seamless service' it could expect to achieve a substantial lift in market share in interstate corridors.

National rail customers are strongly disadvantaged by the present fragmented management of national rail freight services. They are required to deal with at least two rail systems (and up to four) to negotiate and buy interstate freight. Divided management of trains and terminals in every national corridor prevents the level of service integration needed to provide rail's customers with consistent reliability. Clearly, continuing 'business as usual' is not a viable option for the national rail freight system. As shown by Booz-Allen and Travers Morgan, this scenario would see falling competetiveness and rising deficits in much of the present system.

A substantial overall loss is being incurred in the present business, although some corridors operate at a small profit. Losses result partly from low average revenue yields, which are a consequence of present service levels and lack of yield management strategies, owing to fragmented management. Competition from road transport is very strong in all corridors. Losses also result from high cost structures. These in turn are attributable partly to inadequate infrastructure (including track capacity in many sections of the network (loop length, mass limits, clearances, speed restrictions), high average age of locomotives (affecting reliability and availability), a hotch-potch of safeworking and communication systems (which reduce track capacity, average speeds and reliability), congested terminals, and poorly integrated or non-existent operational management information systems). When that is all put altogether you have a formula for a fairly inefficient system of transport that Australia really needs to pull into line.

Successive Governments have neglected the infrastructure and denied financial support for rail, but I hope that this time the political and financial contributions that are to be made and the new commitment that appears to be present will put rail back into the number one position apropos the freight carrying service in Australia.

The Hon. L.H. Davis interjecting:

The Hon. T.G. ROBERTS: We might be able to have the Africar pulling them! Fragmented management itself is inhibiting efficient operation of the business. To a large extent this results from the differing business invesment priorities, engineering standards and operating practices of the present five rail systems. Corridor market shares achieved by Australian railways are high compared with those in North America and Europe (25 to 80 per cent in Australia

compared with 5 to 20 per cent overseas). Rail's high market shares in Australia are assisted by the relatively long distances between population and industrial centres. However, the volumes of freight moving in Australia's mainline rail corridors are small by international standards—one fifteenth or less than in comparable United States corridors. This makes it more difficult to achieve North American levels of profitability.

Utilisation of capital and other resources in Australia must be very efficient. Innovations in equipment design and operational methods must be adopted quickly and rail operations must be carefully planned and 'disciplined'. These requirements cannot be met with the present fragmented responsibility for interstate freight.

A pre-condition for success of the NRFC will be a substantial cost reduction in all areas. This will require dramatic changes to railway operating practices and structures, in order to improve capital utilisation and labor productivity and to reduce overhead and fixed costs, as well as improving reliability. Achieving these changes will require effective management and control of national freight assets and accelerated investment in equipment and infrastructure. As I said earlier, it appears that the political will to do this does exist.

However, making the NRFC a successful commercial enterprise will require strong support from both Federal and State Governments. They will be the company's shareholders and, like any newly formed company, it will rely on them to ensure that it has the financial resources to develop in its formative period. They will also need to give strong support to industry restructuring.

The NRFC's success will depend on developing productive relations with unions representing the NRFC employees, and support from the ACTU will be vital to achieve this. A new award structure will be needed for the NRFC to establish consistent conditions across existing borders. This would be assisted by a reduction in the number of union organisations and branches, as well as a firm commitment to a process of change for structural efficiency. Improvements will be necessary before commencement of business by the NRFC and the significant new investment in rail infrastructure.

The support of the national rail freight initiative is bipartisan, as indicated by the Hon. Di Laidlaw in her contribution and, hopefully, the NRFI principles will transfer through the negotiations that are continuing at the moment into ironing out a lot of the problems that I have raised. However, the national interest and the strengthening of the Australian economy depends largely upon the successful outcome of common agreement between the private, public and trade union sectors for the restructuring. The successful development of a national rail freight initiative must therefore be based on the maximum agreement possible between all parties involved.

Whilst there is an agreement in principle to the NRFI principles, there are shared concerns about some of the aspects of the Travers Morgan and Booze-Allen consultants' report, and the NRFI committee's report in its present form. There is general and broad agreement on the broad points, but there are concerns that we all share, including the Hon. Mr Gilfillan.

The report covers world standard efficient costs, privatisation assumptions, residual impacts of national rail freight corporations on intrastate rail operations in a number of States, and the extent of Government financial support. This is because there needs to be a financial commitment to the principles that are being discussed. Also, there is the NRFI and freight forwarders subsidies.

The Hon Diana Laidlaw interjecting:

The Hon T.G. ROBERTS: It was not announced in the Federal budget as a major initiative, but I assume that as it was in the budget funds will be allocated for the program to go ahead. The notion of a world standard efficient cost is difficult to accurately gauge, and it is clear that it is very difficult to compare the rail efficiencies of nations, because no two rail systems are alike. Differences in network structures and densities, traffic mix and geographical terrain all make unit cost comparisons between systems problematical. This did not prevent Booze-Allen from making generalisations in their rail cost comparisons. For instance, in their study of New South Wales railways, Booze-Allen stated:

> SRA permanent-way expense per gross tonne/kilometre was 75 per cent higher than for United States carriers.

At no stage was any caveat provided for such a finding. It is a bit like comparing mangoes with mandarins. It is certainly very difficult to compare rail systems. If one compared the cost infrastructure of the rail systems of, say, Switzerland and Swaziland, I am sure one would find that the geographical infrastructure for Switzerland's would be much higher. The maintenance costs and capital equipment, etc., all make it very difficult to make general comparisons.

Some economic rationalists put great faith in comparing mangoes with mandarins, and say that Australia's efficiency ought to match the efficiency of the United States, but I think we need to look at the whole report and some of its implications. In Australia, we have much higher track maintenance costs, particularly in the Eastern States. When freight is pulled through the Blue Mountains from Sydney to Melbourne, those infrastructure costs are much higher.

South Australia has only a few problem areas, but there must be a financial commitment in the South Australian section, particularly from Melbourne to Adelaide, on the broad gauge rail link. In addition, there has been little discussion on the industrial relations environment in which the NRFI would be set and the industrial relations interface problems of the State rail systems. As there are a myriad of systems, so there are a myriad of unions and organisations representing workers in those rail systems, and they need to be streamlined and consulted and their opinions taken into account. This cannot be ignored. Much has been said by the NRFI consultants about world standards, but they completely ignored some of the US standards with respect to the manning of trains with three, sometimes four, crew members. In addition, the pay scales in the US are much higher than they are in Australia. The NRFI consultants' report conveniently forgot about those.

I hope that, in the tripartite negotiations that go ahead, a realistic position is adopted and that the State's considerations, as well as the nation's considerations, are taken into account. The ACTU has a policy with respect to privatisation and, in March 1989, the ACTU executive made a decision about public rail services. Congress rejected proposals to privatise national rail freight terminals but accepted that the Federal and State Governments should investigate sources of private and public investment in railway freight terminals, provided the operation, ownership and control of such terminals remained with the railway system.

That is another of the aspects that has been talked about—the integration of private and public investment. The unions are not ruling out privatisation of sections of the rail industry but they certainly want consultation when dealing with the whole integration of the public and private sector in sharing the freight around Australia. The ACTU and the rail unions are hardly likely to support the NRFI if the national integration, investment and modernisation implied

by such an initiative is likely to take a back seat to privatisation, and that is the only document up for negotiation.

A number of States will be left extremely vulnerable in terms of residual traffic. Given AN's track record and that of the Federal Government with intrastate passenger services—such as those between Whyalla and Adelaide, Mount Gambier and Adelaide, and Broken Hill and Adelaide—it is quite possible that those AN services not involved in the National Rail Freight Corporation (NRFC), would be left to wither on the vine. There is an integration of road and rail in some areas, and I guess that is being looked at. No discussions or undertakings on the future of AN's intrastate services have been raised in the consultants' or the NRFI committee's report, and that should be viewed with concern by South Australians and residents of other potentially vulnerable States such as Victoria.

Under one scenario, AN's entire intrastate freight and passenger operations could be wound up following the formation of the NRFC through B double and bus substitution respectively. It can be expected that union support for NRFI will be contingent upon the negotiation of structures for ensuring a continued commitment to intrastate rail freight and passenger services. Under no circumstances will unions embrace a first-class interstate rail freight network and a resource starved, third-class intrastate rail freight network awaiting model substitution. There must be a commitment to the national freight structure and passenger services. There must also be a commitment to making sure that the State's infrastructure is maintained, and that it is not just a matter of one section advancing at the expense of another.

As I indicated before, those negotiations are very delicate. They involve a lot of people and a lot of investment. It is not, as Sir Arvi observed, something that is passing us by. Those negotiations have been going on for a long time but it is probably the closest that the NRFI has got to securing general agreement across the board for a final structure that will hopefully be put in place. Given AN's base in South Australia, that would certainly be an advantage to the State. Victoria would like the structure centred in Melbourne and New South Wales would like it based in Sydney, so it will be an argument between the States, but AN is well placed because of the Whitlam and Dunstan initiatives in the mid-1970s to be the overall managing structure. It is to be hoped that the early formation of the AN structure, being placed centrally in South Australia, would give it an advantage.

As I have said, the other States will have cases to put and it will be up to those negotiating that agreement to settle on a final structure. It may not be AN or it may be a form of AN that finally emerges.

The Hon. Diana Laidlaw: Hopefully, headquartered in Adelaide.

The Hon. T.G. ROBERTS: Yes. The interstate people would say that it needs to be nearer to the centres of higher activity, between Sydney and Melbourne, but we could argue that we are centrally placed for the Asia-Pacific rim traffic and between the eastern States and Perth, and we are centrally placed for Darwin road/rail freight.

We do have a strong case to put, and not just because transport at the moment is being restructured and centralised. Communications make it very easy to place an administrative centre anywhere in Australia; it is not necessary now to place the centre of an industry nearest to the highest level of activity.

In supporting the motion, I would hope that members would note some of the concerns that have been shown by a number of those interested parties in the negotiations and, hopefully, the discussions that take place over the next two to three weeks will bring about a restructuring of the national rail freight grid. The subsequent transformation will allow the restructuring process of not just the carriage of our imports but of our exports as well in a more efficient way that lowers our cost structure and allows us to compete internationally, while at the same time looking after the careers of those people in the industry who will ultimately have to work in it during a very difficult period.

The Hon. DIANA LAIDLAW: I am very pleased to learn of the Government's support for this motion. As I indicated in speaking to the motion a couple of weeks ago, it was one of my intentions to flesh out the Government's response to this initiative, and I appreciate the considered reply of the Hon. Terry Roberts. I endorse a number of the concerns he has expressed and the reasons for caution, but note that, notwithstanding those concerns and reasons for caution, there is great need in this country to move ahead to a national system for rail freight.

In future negotiations undertaken by the State Government with other State Governments and the Federal Government, I hope that we ultimately see a strong case put for AN in a restructured form being the national operator or manager of that rail freight initiative, and that it will be headquartered in South Australia, because it would be devastating for this State to see yet a further main office or headquarters moved. AN has built up over some time a remarkably able work force with great foresight and skills, and we should be fighting hard to ensure that that work force remains in South Australia and that we capitalise on that to ensure we get the headquarters of the national rail freight initiative. I appreciate the comments made by the Hon. Terry Roberts.

Motion carried.

SOUTH AUSTRALIAN FILM CORPORATION

Adjourned debate on motion of Hon. Diana Laidlaw:

1. That a select committee of the Legislative Council be established to consider and report on—
   (a) the circumstances surrounding both the appointment and resignation of Mr Richard Watson as Managing Director of the South Australian Film Corporation;
   (b) options for the future of the corporation; and
   (c) all other matters and events relevant to the maintenance of an active film industry in South Australia.
2. That Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.
3. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence presented to the committee prior to such evidence being reported to the Council.
4. That Standing Order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but that shall be excluded when the committee is deliberating.

(Continued from 8 August. Page 88.)

The Hon. ANNE LEVY (Minister for the Arts): In responding to the motion of the Hon. Miss Laidlaw, she has moved for a select committee to examine the circumstances surrounding the appointment and resignation of the Film Corporation's Managing Director; also to look at the options for the future of the corporation; and what is required to maintain an active film industry in South Australia. I oppose that motion and, in doing so, wish to comment on several matters. This stated rationale for the select committee is fairly confused and demonstrates perhaps a lack of understanding of the film industry in South Australia. Let me first examine the final proposed term of reference

in paragraph 1, which focuses on the maintenance of an active film industry in this State.

Over the past 12 months, the commercial film industry in South Australia, both the South Australian Film Corporation and the independent sector, have recommenced regular production. During 1989-90, in addition to the *Ultraman* series, four properties were produced by South Australian film makers. The South Australian Film Corporation commenced production of two four-hour mini-series for television, *Shadows of the Heart* and *Golden Fiddles*. Two independent features were also produced: *Strangers*, produced by Craig Lahiff, and *Struck by Lightning*, produced by Terry Charatsis. In addition, the South Australian Film Corporation produced a large-scale documentary on the work of the cranio-facial unit, which will be shown very soon on the ABC, and two other major documentaries were produced by independent film makers.

In the current year, as I have stated previously in this place, Rob George has secured funding for a four-hour TV mini-series, *The River Kings*. This will be the largest independent property ever produced by a South Australian. The South Australian Film Corporation has two properties, *The Battlers* and *One Crowded Hour*, in an advanced stage of development, and they are planned for production during this year. All the productions mentioned have received or will receive financial support through the Australian Film Finance Corporation. This organisation, which was established by the Commonwealth Government at the end of 1988, provides investment funding in Australian film production. It replaced the Commonwealth Government's previous taxation arrangements, which were generally regarded as unsatisfactory in their role of being the major provider of investment funds for the Australian film industry.

In South Australia's case, the establishment of the Australian Film Financing Corporation has proved to be the stimulus needed to re-establish a consistent slate of production here. In the 1989-90 financial year, the Australian Film Financing Corporation invested about $7 million in the South Australian productions detailed previously. If this level of support continues—and there is no reason why it should not—we can expect the maintenance of a consistently high level of production.

Although the *Ultraman* series has caused some financial difficulties with the Film Corporation, the plain fact is that the South Australian film industry generally is working well and, more importantly, has confidence for the future. This applies equally to the Film Corporation and the independent sector.

I would now like to turn to another of the Hon. Ms Laidlaw's terms of reference, namely, the options for the future of the South Australian Film Corporation. In her comments moving for the establishment of the select committee, she made great play of the corporation's lack of significant production over an extended period in the mid to late 1980s and the Milliken report, which was commissioned by the Government in 1988. I acknowledge quite readily that, for a number of years during the mid to late 1980s, the corporation did not consistently produce very much. This was mainly attributable to the taxation arrangements which were then the only means by which private sector investment could be raised.

Successive adjustments by the Commonwealth Government to the taxation arrangements made it increasingly difficult for all film makers in Australia—not just the Film Corporation—to raise the finance required to ensure regular production. It was straight economics which weakened the ability of the Film Corporation to produce successfully. Investors did not have the appropriate incentive to finance film production. As I have already stated, this affected the Australian film industry as a whole, not just the South Australian Film Corporation, and plenty of people in the film industry throughout the whole country will agree with that comment.

Of course, with the establishment of the Australian Film Finance Corporation, this problem has been overcome and the South Australian film industry is, once again, in regular production. However, in early 1988, with then no relief in sight for the film industry generally, and with the South Australian Film Corporation in some difficulty through lack of regular production, the Government took a responsible decision to review the corporation and to consider its broad role and function. It is important to stress the poor environment in the film industry overall at the time the Milliken review was commissioned and the then gloomy and difficult future outlook.

The Milliken review provided recommendations encompassing three major areas: first, greater film-making expertise on the board of the corporation; secondly, reorganisation of the drama department of the corporation; and, thirdly, amalgamation of the operations of the corporation and the South Australian Film Industry Advisory Committee.

With regard to film-making expertise on the board of the corporation, I have already informed the Council of the appointment of two experienced producers to the board—Ms Jane Scott was appointed in March of this year and Mr Scott Hicks in June. Ms Scott is the producer of *Crocodile Dundee* and numerous other well-known Australian films and Mr Hicks has recently won numerous awards for his film *Sebastion and the Sparrow*. Ms Scott lives in Sydney and so brings the interstate experience which was recommended by Sue Milliken. Mr Hicks is a South Australian independent producer of whom we can all feel very proud. I have been delighted that these two distinguished producers have agreed to serve on the board of the Film Corporation and I am sure the corporation will benefit greatly from their contributions.

The other two major areas of recommendation in the Milliken report, namely, the reorganisation of the corporation's drama department, and the amalgamation of the operations of the corporation and the South Australian Film Industry Advisory Committee, at the time needed to be considered for their long-term as well as their short-term effects. The thrust of these recommendations would have meant the corporation's moving away from being a producer in its own right and, instead, developing new properties solely in the capacity of an executive producer by using freelance personnel on a production-to-production basis.

At that time, in 1988, the then board of the corporation was concerned that this new direction did not take into account important short-term considerations. As the development of major film and television projects can take quite a number of years, the board was concerned that reorganisation of its drama department would be to its short-term detriment. Milliken recognised that this was a possibility, and recommended that the corporation should continue the development of those projects already commenced.

In the light of this advice, the then board made a commercial decision to continue the work of the drama department, thereby ensuring that the corporation's slate of production in progress could continue and reach fruition. It has been said that the board's decision in 1988 has been vindicated with the production over the past 18 months of *Grim Pickings*, *Shadows of the Heart*, and *Golden Fiddles*. Moreover, as I have already stated, the corporation's current

slate of production appears encouraging, with a further two productions in an advanced state of development.

Furthermore, while the corporation continues as a producer in its own right, it would not be appropriate to amalgamate its operations with those of the South Australian Film Industry Advisory Committee. It is clear that, while it is a producer itself, there would be a fundamental conflict of interest if the corporation both produced properties on the one hand and considered application for production investment from independent producers on the other.

It must be stressed again that the Milliken review took place when the film industry Australia-wide was in a severe downturn, and the prospects looked bleak for future production by anyone in South Australia. With the establishment of the Australian Film Financing Corporation, however, both the corporation and the State's independent producers have been able to finance productions on a consistent basis.

The South Australian Film Corporation is again the State's leading film-maker and, hence, is a major employer of film personnel. It is at present a vital component of this State's film industry from an artistic, economic and employment point of view.

One matter must be made crystal clear: the board's decision to undertake the production of the *Ultraman* series had nothing whatsoever to do with the Milliken review. The corporation made a purely commercial decision to undertake the production of the series within the parameters of a budget negotiated by the General Manager and agreed by the corporation and the major Japanese investor. The corporation was of the view that the production of the *Ultraman* series was important for not only the corporation but also the South Australian film industry in general.

During my discussions with the board of the corporation, it was admitted that with hindsight it is apparent that the budget for the series was unrealistic. Equally importantly, there were exclusions from the contract, most notably for a completion guarantor. As I advised members on 2 August, the *Ultraman* series has run over budget by approximately $1.8 million, and it is this overrun which has placed the corporation in a difficult financial position.

The Government has promptly taken action to ensure that the corporation will remain financially viable, at least in the short term. As I have previously indicated, an independent assessment of the corporation's organisation on a management structure will be undertaken urgently, and I expect it to recommend how the corporation can reduce its overhead costs and establish a firmer funding base. The board of the corporation has welcomed this review. Its members believe that this reassessment is necessary if the corporation is to repay its outstanding debts and at the same time provide a solid foundation for its future activity.

I believe that the Government has set an agenda which will enable the corporation to overcome its current difficulties. As I have stated, the framework is in place for the corporation to go forward. The proposed select committee dwells on the past. While I acknowledge that it is sometimes useful to consider past events as a guide to the future, I can assure all members that the corporation has closely examined its association with the *Ultraman* series and has learnt from this experience. Should another series be offered, I have been assured—

Members interjecting:

The Hon. ANNE LEVY: Indeed. Should another series be offered, I have been advised by the Chair of the Corporation that it would be welcome, but they would ensure that the contractual and budgetary arrangements would be such that the corporation was protected in all circumstances.

In making these comments I have deliberately avoided discussing the role of the former Managing Director. Despite the Hon. Ms Laidlaw's pious hope that a select committee would not be a 'witch hunt', that is precisely what it would be. There can be no doubt that during the course of the proposed select committee some mud would be thrown, however wildly and inaccurately, and that unfortunately some would stick. This could only serve to damage the reputation of both Mr Watson and the corporation generally. I can see no useful purpose for this whatsover.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: She is at it again, Mr President.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: The corporation is facing one of the most crucial times in its history. I am confident that over the next six to eight weeks, with the assistance of an independent consultant, it can restructure its organisational and management arrangements such that it can reduce its overhead costs without compromising its film-making activity. To distract the corporation from this important task for the purpose of dwelling in the past is simply not in its best interests.

The Hon. Diana Laidlaw: Well, it's not in the Government's interests.

The Hon. ANNE LEVY: Not in the corporation's best interests. In all, I can see no good reason to proceed with a select committee on the Film Corporation, and accordingly I urge this Council to oppose the motion.

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

WORKCOVER

Adjourned debate on motion of Hon. I. Gilfillan:

1. That a select committee of the Legislative Council be established—
   (a) to review all aspects of the Workers Rehabilitation and Compensation System (WorkCover);
   (b) to recommend changes, if any, to the Workers Rehabilitation and Compensation Act to optimise WorkCover's effectiveness.
2. That the select committee should take into consideration that WorkCover should be a fully funded, economical, caring provider of workers rehabilitation and compensation, with the aim of increasing workplace safety.
3. That Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.
4. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence presented to the committee prior to such evidence being reported to the Council.

(Continued from 8 August. Page 85.)

The Hon. I. GILFILLAN: I continue my remarks about the establishment of a select committee to review all aspects of the workers' rehabilitation and compensation system. I indicated in my earlier remarks on a previous day that I understood that steps were being taken to prepare a motion for a joint House select committee upon which members from both Houses would be represented. Those steps have indeed been taken and, on balance, I feel that it is probably a better, more effective committee with members from another place, the Minister and the shadow Minister possibly being on it.

I am led to believe that a message from the other place will be received shortly in this place, asking for support for a motion to establish a joint select committee with terms

of reference to review all aspects of the workers rehabilitation and compensation system (WorkCover); and to recommend changes, if any, to the Workers Rehabilitation and Compensation Act to optimise WorkCover's effectiveness, taking into consideration that WorkCover should be a fully funded, economical, caring provider of workers rehabilitation and compensation, with the aim of increasing work place safety. Then it follows with what are reasonable clauses for the establishment of a select committee. It is my intention to support the motion when it is moved in this place. Therefore, fully conscious that a select committee will be established to investigate WorkCover with exactly the same terms of reference as those which I have been moving in this place, I move:

That this Order of the Day be discharged.

Motion carried.

ENERGY SOURCES

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

1. That a select committee of the Legislative Council be established to inquire into, consider and report on—
   (a) alternative sources and types of energy for electricity generation and heating to those currently used to provide the majority of South Australian consumers with their personal, domestic and industrial needs;
   (b) methods of conserving this energy and the comparative economic costs and advantages in doing so;
   (c) the truth, or otherwise of claimed environmental and economic consequences of using, or not using, any of the suggested alternative sources and types of energy which are drawn to the attention of the committee;
   (d) the Government decision to establish wind driven electricity generating equipment at Coober Pedy and the National Energy Research Development and Demonstration Council (NERDDC) and other expert opinion and recommendation relating to it;
   (e) the effectiveness or otherwise of the process of 'wide public consultation' to have been undertaken by the Government, in keeping with the commitment to do so given in the Address of His Excellency at the opening of the first session of the Forty-Seventh Parliament;
   (f) any related matters.
2. That Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.
3. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence presented to the committee prior to such evidence being reported to the council.

On 11 April this year, in the dying stages of the first session, I moved an identical motion to this, seeking to set up a select committee to look into the question of alternative energy and its implications, both positive and negative, for South Australia. A select committee of this nature follows on from the work of the energy select committee, which presented three reports to this Parliament over a number of years, the last one being just prior to the 1989 State election. The energy select committee, set up by the Leader of the Democrats, Mr Gilfillan, had two references which it did not address. They were alternative sources of energy and methods of conserving that energy.

It is logical that we look at alternative energy, and it is timely that we should do so now. I moved a motion last April with the knowledge that the select committee could not be set up or do any work in the available time frame. It was to let the people and groups of South Australia know that the subject would be debated and addressed by Parliament so that they could muster up their resources, knowledge and advice and prepare eventually to make submissions to a select committee.

To my knowledge, the move to set up a select committee has been well received by those who are interested in this matter, and people are preparing to make substantive submissions to a committee. I have to state what is obvious to all honourable members, namely, that there are a number of proposals now on the Notice Paper to establish select committees, as well as some select committees which are already set up and which are trying to conclude their deliberations.

Having noted that, I want to put to honourable members that this must not prevent the setting up of this select committee as soon as possible. There is no reason why it cannot do its preliminary work in the next few months, in preparation for its substantive work, beginning in the summer recess and continuing through to the long winter recess of 1991. It is not my intention to say much more now in support of my motion. I should point out to those people who are interested in my previous remarks and those of the Hon. Mr Gilfillan that they started on page 1 430 of April 1990 *Hansard.*

I am not aware of the extent of the work being done on behalf of the Government in the area of alternative energy, apart from a snippet here and there, and I am sure that the people of South Australia are also unaware of the work that is probably being done on their behalf. The annual report of the South Australian Energy Planning Executive of 1988-89 landed on my desk and probably all of our desks a few weeks ago. It contains virtually no reference to alternative energy, although there are references to such things as encouraging the efficient and effective utilisation of energy and the implementation of the Government's energy conservation, information and mangement programs.

There was also a reference to the State Energy Research Advisory Committee (SENRAC) which had allocated some of its budget towards 20 energy research projects and proposals covering the areas of energy technology, conservation/energy utilisation, energy resource and planning studies.

I believe that the Parliament has never had before it any advice from any authority on the various alternative energy resource proposals and their range, type and competitive cost. Moreover, members of the South Australian public who consider that they have some expertise in any aspect of the provision of basic energy not coming from sources currently in use have not been given the opportunity to provide other South Australians with the benefit of that knowledge. I acknowledge that at the time of the last energy select committee some evidence and submissions were given about the manufacture and use of alternative energy but, because that select committee was not dealing with that matter, those submissions were put aside. So, the members of that select committee were aware that there were people in South Australia who were very interested in this matter.

It behoves us, therefore, as the democratically elected representatives of all South Australians, to facilitate the process of looking at alternative energy sources. We must get all the information on the table and we need to cross-examine the witnesses—which will include individuals, groups of interested people, Government departments and, hopefully, experts from around the world (who we could examine either in person or by looking at their published material)—and rigorously examine the substance of their evidence. We could then provide the public and the Government with an assessment of these alternatives. To date, the Government's efforts in this area smack of political tokenism and have been something of a non-event. It is long past the time when these things should have been done. Those of us who were on the energy select committee

realised that these things should have been looked at a long time ago.

I have no doubt that, if the members of this select committee take up the challenge with enthusiasm they will benefit greatly from the exercise and, I hope, feel rewarded for being able to make a contribution, towards an energy conscious, efficient and environmentally safer South Australia. I support the motion.

The Hon. I. GILFILLAN: The Democrats support the motion. It hardly needs be said how enthusiastically we would promote the identification and implementation of alternative energies, including, of course, conservation and the more efficient use of current energies. I congratulate the Hon. Jamie Irwin for taking this initiative. It appears to me a little wry that a Party which generally has not been renowned for these sorts of initiatives should now be taking what may well be a leading line (out of the two major Parties—Labor and Liberal) in this State in relation to energy responsibilities.

The Hon. L.H. Davis interjecting:

The Hon. I. GILFILLAN: The Hon. Legh Davis, to date, has shown no inclination to try to understand either alternative energies or conservation. I suggest that he start by conserving his own breath and stop interjecting. The member for Murray-Mallee in the other place—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! The Hon. Mr Gilfillan.

The Hon. I. GILFILLAN: —made some quite constructive remarks about the conditions which should apply to new buildings in this State, and I place on record our appreciation of that initiative. Maybe we are at the dawn of a new era where we will, as a State, grasp the issues of alternative energy, energy conservation and sensible design and really take them seriously. I look forward to being personally involved in and contributing to the work of the committee.

The Hon. T.G. ROBERTS secured the adjournment of the debate.

BALLOTED TAXICAB LICENCES

Adjourned debate on motion of Hon. Diana Laidlaw:

That the regulations under the Metropolitan Taxi-Cab Act 1956 relating to balloted licences made on 26 July 1990 and laid on the table of this Council on 2 August 1990 be disallowed.

(Continued from 8 August. Page 92.)

The Hon. I. GILFILLAN: The Democrats support this motion, which will disallow balloted licences for 50 extra taxicabs. First, I indicate that it is unfortunate that we are unable to suggest amendments to the motion; that we only can reject or accept it. The Democrats think that the regulations are weak in the method of allocating the extra taxis. We see no reason why permit holders and lessees should be excluded from the option of having a taxi allotted to them by this lottery (which is what it really is, rather than a ballot). Furthermore, we cannot understand why the Minister and the Government do not go back to one of the recommendations that was strongly supported in the industry, namely, to offer extra cabs by tender, with the funds from that to be made available for a research and promotion committee.

At the time of the original disturbance in the taxicab industry, after the Minister almost overnight said that there would be a blow-out in the number of operating hire cars, it was time for a dramatic change to the taxicab industry. If only it had been diplomatically handled when all the parties involved—and some through shock therapy—were prepared to look constructively at ways in which the taxi industry could be varied or expanded to cater for its current needs.

It is ironic that the Minister quite eloquently said that there was scope for a wide range of extra activities in the taxicab industry. Transport, such as feeder systems, minibuses and cross-city services, were ideas that were put forward. I believe the taxi industry was at that time prepared to look seriously at incorporating those activities. To have retreated to the point of purely extending the number of taxis by 50, in the way the Minister has done through the regulations, really means a no-win situation for everyone.

Perhaps a few of the current owners will be disappointed if this system does not go ahead, because they stood to get a windfall. I do not believe that that windfall is justified. I do not believe that it really encourages a better taxi service for this State. For those reasons, and also to give a chance for the Minister and the Government to think again about the potential for quite substantial improvements in reforms of the taxi industry, the Democrats will support the disallowance and urge the Minister to look at a more appropriate way of increasing the number of taxis and, at the same time, to open again—or to open for the first time because I do not believe he has—dialogue and discussion with people in the industry and any other people who are interested in ways in which the taxi industry can really move into catering for the needs in the 1990s and beyond. We support the motion of this disallowance.

The Hon. T. CROTHERS: I rise to oppose the motion moved by the honourable Ms Laidlaw in relation to balloted taxicab licences. In moving her motion, the Hon. Ms Laidlaw said:

> The Liberal Party accepts the wisdom of the move by the Government to issue further taxi licences. A Liberal Government would not have restricted the release of the new licences to current licensees or owners. Instead the Liberal Party favours a limited release of new licences by tender.

I note that the honourable member has expressed concern at the high upfront costs involved in this industry (she claims $105 000 is the current cost, though I believe $95 000-$100 000 is closer to the mark). Selling licences by tender would be certain to perpetuate this high scarcity value. It is interesting to note that the Hon. Ms Laidlaw related a telephone conversation from a taxi driver who had been working for 10 years but had not been able to afford the high cost of a plate. A Liberal Government in my view, therefore, would exacerbate this problem by selling plates.

As a consequence of this policy, the driver who contacted the Hon. Ms Laidlaw would still be unable to participate and the closed shop, which the honourable member claims exists would only be reinforced. By deciding to issue plates at a nominal cost, this does raise the question of who they should go to. The Government recognises the significant contribution drivers make to the community transport system. They have not been ignored, as has been said, and at some time in the future, may well be included in eligibility for new plates.

However, at this time, the Government has had to determine who would be eligible for the first round of plate issues. As we all know they are the first to be issued in 15 years. The Government has made it clear that this issue is not the last and the policy is under constant review. It seems fair that these plates should go to those who have made a personal financial commitment to the industry.

Mr President, in her speech, the honourable member claimed that the package announced on 19 June 1990 by

my colleague the Minister of Transport resulted from a court decision forcing the Minister to negotiate. This shows a complete misunderstanding of the situation. Justice Prior did not uphold a compulsory injunction but suggested a moratorium on the issue of hire car plates until such time as the Supreme Court action by the Taxi Co-op had been determined. The facts are that this action was subsequently withdrawn.

The honourable member also claimed that the package announced by the Minister was in fact a new policy. This also, in my view, shows a lack of understanding of the Government's intent. It is worthwhile to go back to the fundamentals of the Minister of Transport's reform package announced on 11 April 1990. It is a community transport policy 'designed to provide better community services by removing excessive regulation and encouraging competition'. One must understand that the package had four key elements:

1. removal of the limit of the number of hire vehicles;
2. no new taxi licences;
3. reform of the regulations relating to taxi and hire vehicles; and
4. the industry to apply for automatic CPI taxi fare increases.

The basic elements of the policy were for the freeing up of the hire vehicle industry, along with regulatory reforms in the taxi industry designed to enable them to improve their productivity. These reforms are substantially underway.

Hire car licences have been approved, both for general hire cars and specific purpose hire cars, for example, cars for weddings, transport of patients and tours. The review of regulations is now with Parliamentary Counsel and the industry received a 5.7 per cent CPI fare increase on 19 April of this year. The announcement of 19 June was not, and I repeat 'not' a new policy. The taxi industry had perceived the new competitive environment announced in April as a threat. The Minister of Transport indeed, was merely responding in the June announcement to the industry's call for more taxi licences to help them remain competitive.

The 50 new licences, then, can be seen as a move by the Government to help the taxi industry remain viable and competitive. The final details announced in June do not reflect a new policy. The refined package achieves the Government's original objectives in a way that the industry itself feels it can adapt to. The Hon. Ms Laidlaw claimed that the policy was conceived in blessed ignorance and was simply plucked out of thin air. This is simply not the case.

The Government's policy is the result of the past reviews of the industry, and the years of consultation on industry matters that have taken place. The consultation that took place to establish the Government's policy was, I am told, both an interesting and a useful exercise. In the past, the industry has staunchly opposed the issue of licences.

I am reminded of a rally on the steps of Parliament House which was a result of the previous Minister of Transport, the Hon. Gavin Keneally, calling for consultation on the issue of 10 to 15 plates only three years ago. It is pleasing, therefore, that the industry itself is now embracing the issue of 50 licences, though I note that the Liberal Party believes that 50 is somewhat overzealous. To allow the industry to absorb these new plates, the Government has agreed to issue them in two batches of 25.

In conclusion, the policy is not a 'peace plan', nor is it a new policy. The details announced in June achieve the Government's objectives whilst providing for the legitimate concerns of the industry. The opposition, I believe, can now be seen as being out of step with community and especially industry desires and acceptance of this policy. I therefore urge the members of this Council to oppose the motion.

The Hon. DIANA LAIDLAW: I thank members for their contribution to the debate. I must admit that I was amused by the Hon. Mr Crothers.

The Hon. T. Crothers: I am a funny man, aren't I?

The Hon. DIANA LAIDLAW: Yes, you can be funny at times. If I can undersand some of the interjections, you can be funny, but I do not always understand them. The honourable member placed great emphasis on my reference to policy as if seeking to dismiss my remarks on that basis. I refer him to the Minister of Transport's news release of 19 June headed, 'Final details of taxi hire vehicle policy announced'. The reference to policy that I used in my speech to this motion came from the Minister's own reference to policy in that news release. However, that concern is minor compared with the details of that policy and the regulations that have arisen from that policy announcement of 19 June.

In summing up the debate, I thank the Hon. Mr Gilfillan who, on behalf of the Australian Democrats, appreciated the need to disallow these regulations. They are discriminatory and unjustified. They were negotiated to get the Minister of Transport out of hot water and to put the Government in a position in which it would no longer be harangued on a daily basis by taxi owners and hire car operators in this State. There was good reason for the Government to be harangued on a daily basis because the Minister did not listen to the industry, the owners, the drivers, the hire car operators, the taxicab companies, the radio companies, the lessees or any other person involved in the industry. He seemed to avoid them like the plague before he made his announcement in April.

In reference to the Hon. Mr Gilfillan's hope that there can be further negotiations with the Government and the industry arising from the disallowance of these regulations, I hope that, this time, the Minister has learnt and he will listen to the broad spectrum of the industry. In listening to the industry, I hope that he will take heed of the industry's excellent paper, which he received on 6 April, five days before he king-hit the industry with unreasonable reforms. That paper, entitled 'The future of the Adelaide taxi industry: A discussion paper by the South Australian Taxi Association', recommends many positive changes for the industry, many of which reflect select committee recommendations of some years ago which successive Ministers of Transport have chosen to overlook.

I trust that, as we move into the 1990s, the Government will be more enlightened, that it will look at those recommendations and aim to build a strong taxi industry in this State so that it can contribute to the provision of public transport in South Australia.

Finally, I will quote from a news sheet produced by the General Manager of Suburban Taxi Service in July 1990 following the peace plan negotiated by the Minister of Transport. I want to make very clear that it is not a few drivers alone to whom the Hon. Mr Gilfillan and I have been listening. Condemnation of the Minister's decision of mid June is widespread in the industry, as is the feeling that it is merely a neat, political decision to get the Minister out of hot water. The newsletter states:

> Understandably, there are some amongst us who are disappointed with the final outcome, and I sympathise with the driver who breaks his back for this industry. Personally, I agree with their disappointments and the Government's lack of foresight—again misinformed. We have around 630 owners in this State and we estimate that there are around 3 100 permit holders.

I understand that there are 2 943 permit holders. The newsletter continues:

Would you call Minister Blevins' decision a political one or was it one to get another self-made Government problem off the plate? Interesting. Yes, I hold a permit and yes, I have held licences in the past and yes, after nearly 20 years in the industry, I may have wanted to be a licence holder again. Obviously, my contribution to the industry, like many other permit holders, counts for very little. Regardless of whether we were interested or not, we were not even given the opportunity. Does that mean, Mr Blevins, that all future hotel and bottle shop licences or petrol licence holders (and it goes on) will be offered the same opportunities when more licences come available in their particular industries? Sorry, Minister, in my opinion you have pulled another blunder. Let's not have it said that we write through sour grapes. It is a pity he did not have the faith and trust to listen all the way.

I have quoted that to reinforce my point that it is not just a few isolated individuals or drivers who are concerned about the Government's action. The concern comes from the top levels of the industry and from respected individuals. I am pleased that the motion for disallowance will pass the Legislative Council this evening.

Motion carried.

CENTRE HALL DOORS

Consideration of the House of Assembly's resolution:

That it is still the view of the House of Assembly that the Centre Hall doors should be opened to the voters and taxpayers of South Australia as soon as practicable in order that visiting members of the public can come into their building through the major entrance which was incorporated in the original design and that, for security purposes, the two Houses should jointly cooperate in staffing the Centre Hall using existing resources, and the House of Assembly seeks the concurrence of the Legislative Council in this proposal.

The Hon. CAROLYN PICKLES: I move:

That the resolution be agreed to.

This resolution is very similar to one that was brought to this Chamber from another place on 5 April this year. However, it is my understanding that the urgency of business before the Council did not permit it to be debated in full. I understand that the question of the opening of the Centre Hall doors has been ongoing for a number of years, and it is also my understanding that the doors were last opened in 1984. Because I was not a member of this place at that time, I am not quite sure why they were closed, but there is an understanding that, apparently, the person who worked in that area was put on other duties.

As members are aware, the Centre Hall doors were designed to permit the entrance of the public. It is rather a grand entrance and it is a pity that it is not used. During the centenary of Parliament, the Centre Hall was refurbished to some extent and it now contains an exhibition. The original flooring has been revealed. It is a beautiful hall and we should use it. I am sure that the public get confused when trying to enter this building: they are not sure which door to use—the House of Assembly door or the Legislative Council door. I do not think that the general public realises that we have two Houses of Parliament.

In these times, security is a matter of concern and I know that members are concerned about unauthorised people wandering around the building. It seems to me that it is probably easier to monitor the movement of people in the building if they are only allowed to enter through one door and if the two side doors of the House of Assembly and the Legislative Council are closed to the public. A facility could be arranged to permit the entry of members by way of card keys that we use to enter another door on the side of the building.

I do not wish to enter into the debate about whose responsibility the staffing of the Centre Hall will be. I am quite sure that commonsense will prevail in that matter and that the officers of both sides of the Parliament can get together and come to some accommodation if a decision is made to ultimately open the centre doors.

Another issue we should look at is whether or not the public expects that entrance to be available to it. In fact, one thing that has concerned me in the past is that I was advised by a constituent that an urgent package had been posted to me after hours through the letterbox in the centre doors, because they are the only doors that actually have a letterbox. My understanding is that that letterbox was opened very infrequently. My urgent package was sitting in the Centre Hall door letterbox for about a week, so I had not acted upon that urgent message. In fact, when it was opened, quite a number of fairly old letters were found therein. For some of these reasons, perhaps now is the time that we should get together as a House of Parliament rather than two separate Chambers and revert to the neutrality of the Centre Hall, use that as the entrance to our Parliament, and try to come to some accommodation about its staffing and the security of this building.

The Hon. L.H. Davis interjecting:

The Hon. CAROLYN PICKLES: The Hon. Mr Davis refers to an issue that was debated earlier this afternoon and it is not particularly relevant. There are staff in this building that could be accommodated. I think that staffing could be rearranged to cover the Centre Hall and, as I stated earlier, it needs some goodwill on both sides and I believe that members would find that it would work out fairly well in the end.

Perhaps we could have a trial period when people could actually see if they could manage to go back to the old days when the centre doors were used. As I said, I was not in this place when it was decided to close them, but it does seem ridiculous to me that the main entrance to this building has been closed for some five or six years. Perhaps we should decide at this time to support the message which was received from the House of Assembly and which I understand was carried unanimously, and I hope that all members will support it.

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

ACTS INTERPRETATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 21 August. Page 394.)

The Hon. J.C. BURDETT: I support the second reading. Clause 5 provides a new section 40 and, in his second reading explanation, the Minister said:

Thirdly, section 40 is amended to provide that where an Act provided for the making of regulations, the regulations may, unless the contrary intention appears, apply, adopt or incorporate with or without modification the provisions of any Act, or any statutory instrument, as in force from time to time, or as in force at a specified time or any material contained in any other instrument or writing as in force or existing when the regulations take effect or as in force or existing at a specified prior time.

That is an accurate statement of what the clause provides. The explanation continues:

At present regulations cannot be made requiring, for example, compliance with an Australian Standard or Code, unless the Act under which the regulations are to be made contains a specific enabling power . . .

Further, it states:

The amendment only allows regulations to refer to a current standard.

I will oppose this clause in the Committee stage. There has been an ongoing war between the Executive and the Parliament ever since I have been in this place. The Executive tries to get as much as possible into regulations, and Parliament tries to retain control of legislation. As an example from my time in Parliament, a Consumer Credit Act Amendment Bill was introduced and was said to correct abuses in bankcard but in fact gave the Government, by regulation, complete control over the whole credit system—bank overdraft, stock firm credit, and so on. When this was pointed out, the Bill was withdrawn.

Another example was an amendment to the parent Act of this Bill, the Acts Interpretation Act. In speaking to the amendment on 12 November 1975, recorded in *Hansard* at page 1867, I said:

This Bill would enable the Government by regulation to change, in certain circumstances and with certain safeguards, words in Statutes, and that really is a fundamental matter of Parliamentary government. It is alarming that the Government should in any circumstance be able by regulations to change the words in Acts of Parliament. As I have said before, I do not doubt the sincerity of the Government in this matter but it seems to me possible that in, say, 10 years time some other Government may find this legislation a handy way of changing the law by way of regulation only, and at that time some of the safeguards, as pointed out in the second reading explanation, may well not come to the minds of the people concerned. So I think there should be an expiry date for this measure.

The Bill had a commendable purpose. It was to enable consolidation of statutes, but it did have this quite alarming provision, namely, that statutes could be amended by regulation. The expiry period that I have mentioned was discussed. I moved an amendment that was eventually accepted. These are two good examples of the fact that Parliament must ever be vigilant to see that its role in legislation is not taken over by the Executive Government. Parliament ought to make the laws, and it must always be careful to ensure that the Executive Government does not poach on that role—and it always will if it can.

With regard to clause 5 of this Bill, if Australian standards or codes are to be adopted (and I have no objection to this in appropriate cases), it should always be done on a case-by-case basis, and provisions should be included in the relevant Act. Such a course may be appropriate in some cases and not in others, but that will depend upon the terms of the particular standards. I recognise that subordinate legislation procedures exist in regard to regulations and, as a member of the Joint Committee on Subordinate Legislation, I have every confidence in these procedures.

However, these procedures do not make regulations a substitute for statutes. Certain things and certain regulation-making powers ought to be contained in individual statutes, and there is no reason why they should not be. I also acknowledge that the Commonwealth Act does contain this provision. That does not commend the provision to me at all. I am not at all happy with much Commonwealth legislation, and the fact that this provision happens to be contained in the relevant Commonwealth Act means nothing as far as I am concerned.

It was also explained that the amendment only allows regulations to refer to a current standard. Nevertheless, I see no reason why the power to adopt Australian standards and the like should not be included in the Bill and directly and immediately under the control of Parliament. If the need to adopt such standards should arise when there is no relevant Bill before Parliament, it should be possible to introduce a short Bill for this purpose. For these reasons, I support the second reading, but I indicate that, as will the Hon. Trevor Griffin, I will oppose clause 5.

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

SUPPLY BILL (No. 2)

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.

It provides $1 140 million to enable the Public Service to carry out its normal functions until assent is received to the Appropriation Bill. Members will recall that it is usual for the Government to introduce two Supply Bills each year. The earlier Bill was for $800 million and was designed to cover expenditure for the first two months of the year. This Bill is for $1 140 million, which is expected to be sufficient to cover expenditure until early November, by which time debate on the Appropriation Bill is expected to be complete and assent received.

The amount of this Bill represents an increase of $70 million on the second Supply Bill for the last year to cover wage and salary and other cost increases since that time. I would also like to take this opportunity to outline the 1989-90 budget outcome. Full details will, of course, be set out in the papers which will be tabled as part of the forthcoming budget for 1990-91. However, speculation by the Opposition, including irresponsible allegations of massive overruns, only serves to damage South Australia's reputation for financial strength and fiscal integrity and should be brought to a halt as soon as possible.

Members will recall that the budget for 1989-90 provided for a balance on Consolidated Account made up of a projected surplus of $95.1 million on recurrent transactions offset on the capital side by $249.4 million, leaving a net financing requirement of $154.3 million. Given the rapidly changing economic circumstances experienced throughout Australia, particularly during the latter half of the financial year, I am pleased to be able to say that the Treasurer has reported that the final results for the year just past show a deterioration of only $26.2 million in a budget of over $5 billion. This represents a variation of approximately 0.5 per cent. Furthermore, this deterioration is due almost entirely to a decline in receipts.

Members will be aware that the State budget contains large sums which are 'passed on'. When account is taken of these items, total recurrent payments were actually $9.6 million below estimate, while capital payments were $10.5 million lower. The lower than expected level of payments which impacted on the budget included a saving of $23.3 million on general provisions for salaries and other expenses. In addition, the E&WS deficit was $6.7 million less than expected. This was offset in part by an increase in interest costs of $16 million, reflecting higher than anticipated interest rates, and higher than expected superannuation payments of $7.7 million.

Consequently, the relatively small deterioration in the 1989-90 budget outcome is not due to any increase in expenditure in 1989-90 but is explained by a $46.2 million reduction in those receipts which impact on the budget. Of those, recurrent receipts were $33.5 million less than expected and capital receipts were $12.7 million lower. The deterioration in recurrent receipts was due largely to a shortfall in stamp duty revenues of $22.5 million and in liquor and petroleum franchise fees of $4.1 million as a result of lower levels of economic activity than expected.

Lower than expected recoveries from Government agencies as well as a shortfall in fees, fines and charges and fees

for regulatory services totalling $3.2 million also contributed to the reduction in receipts. Royalties were also $9.2 million below expected levels.

The Treasurer has already indicated that, in common with virtually all other financial institutions in Australia, the State Bank's profit for 1989-90 will be affected by the sudden deterioration in the national economy. This has, in turn, also had an impact on the State's receipts. The State Bank's contribution to the budget is $17.2 million in lieu of the $40 million budgeted. These shortfalls were offset in part by a net impact improvement of $6.7 million through indexation of Commonwealth general purpose grants and higher than expected payroll tax receipts of $6.8 million.

In addition, there has been a range of other variations in the final receipts and payments figures from those estimated at the time of presenting the budget to Parliament in August 1989. For the bulk of these variations there is no net impact on the budget—for example, many Commonwealth specific purpose payments to the State and recoveries for superannuation pension payments, where the change is reflected in both receipts and payments, and payments from the round sum allowances for wage increases anticipated during the year. Full details on the 1989-90 budget results will be provided in the 1990-91 budget.

Members will appreciate that this picture is vastly different from that which the Leader of the Opposition and his Deputy have attempted to draw. Indeed, the Leader's claims in the debate on the Supply Bill (No. 1) in February this year and his recent suggestion that there had been a $100 million deterioration now look a trifle absurd.

The Leader has consistently confused the likely results of the year just past with the very severe financial problems the State faces in the present financial year. As is clear from these results, the Leader—

Members interjecting:

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

The Hon. ANNE LEVY: —was quite wrong about the Government's financial performance in 1989-90. The statement he has made that we will experience a shortfall in this financial year as a result of overspending in 1989-90 is equally quite wrong. As the Treasurer has demonstrated, it is largely attributable to the cutbacks in Federal funding at the Premiers' Conference in June.

Clause 1 is formal and clause 2 provides for the issue and application of up to $1 140 million.

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

WORKCOVER

The House of Assembly informed the Legislative Council that it had passed the following resolution to which it desired the concurrence of the Legislative Council:

That—

(a) a joint select committee be appointed—

(i) to review all aspects of the Workers Rehabilitation and Compensation System (WorkCover); and

(ii) to recommend changes, if any, to the Workers Rehabilitation and Compensation Act to optimise WorkCover's effectiveness, taking into consideration that WorkCover should be a fully funded, economical, caring provider of workers rehabilitation and compensation, with the aim of increasing work place safety; and

(b) in the event of the joint select committee being appointed, the House of Assembly be represented thereon by three members of whom two shall form a quorum of House of Assembly members necessary to be present at all sittings of the committee.

The House of Assembly also advised the Legislative Council that it had resolved that the joint select committee be authorised to disclose or publish, as it thinks fit, any evidence presented to the committee prior to such evidence and documents being reported to the Parliament.

ADJOURNMENT

At 10.29 p.m. the Council adjourned until Thursday 23 August at 2.15 p.m.