LEGISLATIVE COUNCIL

Thursday 25 October 1990

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

PAPERS TABLED

The following papers were laid on the table:

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

Reports, 1989-90—
Department of Agriculture.
Dental Board of South Australia.
Food Act 1985.

Forestry Act 1950—Variation of Proclamation—
Hundred of Talunga—Section 55.
Hundred of Talunga—Section 259.

By the Minister of Local Government (Hon. Anne Levy)—

Reports, 1989-90—
Engineering and Water Supply Department.
West Beach Trust.

By the Minister of State Services (Hon. Anne Levy)—

State Supply Board—Report, 1989-90.

QUESTIONS

SMOKING POLICY

The Hon. R.I. LUCAS: I seek leave to make an explanation before asking the Minister of State Services a question about smoking policy.

Leave granted.

The Hon. R.I. LUCAS: This year the Chief Executive Officer of the Department of State Services, Mr D.L. Dundon, issued a directive on the department's smoking policy. This directive states in part:

> There is mounting evidence that chronic inhalation of sidestream and exhaled smoke in confined spaces presents a measurably increased health risk to non-smokers.
>
> As Chief Executive Officer, I am responsible under section 19 of the Occupational Health, Safety and Welfare Act 1986, and the Government Management and Employment Act 1985, and under precedent in common law, to provide and maintain, so far as is practicable, the safe and healthy working environment for the employees of this department.

The directive goes on to state that as from 1 May 1990 smoking will be prohibited in all departmental vehicles. The Minister would be aware that the Minister's own car is registered to and operated by State Fleet, which is a section of the Department of State Services.

A number of concerned South Australians have contacted my office and expressed their concern at seeing the Minister smoking in her ministerial car, contrary to her own CEO's directive and department's policy. They were angry at the Minister's double standards when occupants of all other departmental vehicles were being banned from smoking.

Members interjecting:

The Hon. R.I. LUCAS: Indeed, what about the driver and all other occupants? My questions are:

1. Does the Minister support her own department's smoking policy which prohibits smoking in all departmental vehicles?

2. Why does the Minister not comply with this policy?

The Hon. ANNE LEVY: The management of the department is the responsibility of the Chief Executive Officer of that department. In relation to matters of management, he makes his own decisions. I have never queried him regarding his circular or his policy in this matter; nor has he ever discussed the matter with me. With regard to my own ministerial vehicle, I do smoke when travelling in the car, always with the window open as I do so, and I see no reason why I should not.

PRISON RELEASE

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Attorney-General a question on the subject of release from prison by facsimile.

Leave granted.

The Hon. K.T. GRIFFIN: Lately, it has become the practice for persons against whom warrents for non-payment of interstate fines exist to present themselves at a police station in answer to the warrants. They are then taken before a court and ordered to serve a period of imprisonment in default of payment of the fines. The police then advise the relevant gaol of the court's order and the gaol immediately faxes to the police an order of release. The offender consequently does not serve any imprisonment and does not pay the fine. I am told that there is widespread knowledge of this practice among defaulters which results in most offenders choosing to 'serve' the default period of imprisonment rather than pay the fine. My questions to the Attorney are:

1. Will he agree that the practice of release by fax which I have described maked a mockery of justice and holds the courts up to ridicule?

2. What steps will he take to see that this ridiculous practice is stopped immediately?

The Hon. C.J. SUMNER: The real problem in this area is that the gaols are full. The department has been using some administrative procedures which are available to it. I am not sure about the validity of the question asked by the honourable member, but the Correctional Services Act provides that prisoners can be released within 30 days, I think, of the end of their sentence in certain circumstances. One of the valid circumstances for exercising that provision is if there is overcrowding in the gaols. That is the principal problem. The gaols are full and it is obviously an extraordinarily difficult situation for the Government to have to deal with. I do not know about the particular allegation made by the honourable member. I would doubt whether it was a regular practice. However, I will refer the question to the Minister of Correctional Services and bring back a reply.

The Hon. K.T. GRIFFIN: As a supplementary question: in the light of that answer, would the Attorney-General be prepared to obtain information as to the number of occasions on which the release of prisoners has occurred in this particular way because of overcrowding in the prison?

The Hon. C.J. SUMNER: I will check to see if that information is available and bring back a reply if I can.

BICYCLE THEFTS

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 on the subject of bicycle thefts.

Leave granted.

The Hon. DIANA LAIDLAW: In recent weeks police have reported an increase in the number of bicycles that have been stolen from bike ranks in the city, particularly in Gawler Place and Rundle Mall. According to the police,

thieves are using bolt cutters to cut through the security chains to steal the bicycles. A considerable effort is being made to steal those bikes when the owners have seen fit not only to park them at ranks but also to make some effort to secure them.

I know that the Cyclists Protection Association has been lobbying the Government and the Adelaide City Council to look at the issue of safe storage for bicycles for some time, not only at the Adelaide Railway Station but also at other centres in the city, particularly as there is enthusiasm amongst cyclists in general to see Adelaide become more of a bicycle oriented city, which would have advantages for South Australians generally and also in tourism terms.

Therefore, I ask the Minister whether he is aware of the problem that has been highlighted by the police in respect of the increase in bicycle thefts in the city in recent times and whether he will, either through the State Bicycle Committee or through his own department in association with bicycle groups in this State, undertake some work with the Adelaide City Council to ensure that there is provision for the safe storage of bicycles in the city area?

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

OUTSIDE PUBLICATIONS

The Hon. T. CROTHERS: Mr President, I seek leave to make a very brief statement before asking a question of you in your capacity as alternate Chairman of the Joint Parliamentary Service Committee on the subject of the availability of outside publications for the perusal of members.

Leave granted.

The PRESIDENT: I draw to the honourable member's attention that I am not Chair of the Joint Parliamentary Service Committee.

The Hon. T. CROTHERS: I said 'alternate Chairman', Mr President.

The PRESIDENT: All right.

The Hon. T. CROTHERS: I have been a member of this Parliament for almost four years now, and during that time have quite come to enjoy reading the contents of publications such as the *City Messenger*, the *IPA Review*, the *Adelaide Review* and *Safish*, to name but a few. The contents of these publications, and others which I have not named, have, I believe, kept members fully informed on matters of considerable public interest.

Recently, when I was casting around to pick up my usual copy of the *Adelaide Review* for the month of October, you can imagine my chagrin and disappointment that there was none to be found anywhere. I then asked some of my colleagues—

An honourable member interjecting:

The Hon. T. CROTHERS: There is no second prize for this one, mate; you are not even in the medal count. I then asked some of my colleagues whether or not the October copy of the *Adelaide Review* had arrived. Some of them told me that it had, that in fact at least the usual number had been delivered, and that the October edition had contained an article by William Hickey on the Magarey Medal count.

In the light of the foregoing, Mr President, will you, first, inquire whether or not members have been taking more than one copy of the *Adelaide Review*? Secondly, if my first question is factual, will you ascertain whether members have been purloining the extra copies to pass down to their heirs and successors as a family heirloom because of this particular edition's unique qualities as a collector's item? Finally, as members have sadly missed reading this particular gratis supplied amenity, will you ascertain for members where copies of the October *Adelaide Review* may be obtained from?

The PRESIDENT: I think that this question is properly addressed to the Presiding Officers rather than the Joint Parliamentary Service Committee. In my capacity as President, I see no problem at all if any members think that they are not getting enough issues, in their giving the messenger, or whoever is in charge of distribution, a ring and he will make sure that all members are provided with enough copies to satisfy their needs. I see from a newspaper article today that it appears that the journal to which the honourable member referred was of popular interest. As I understand it, it was purloined by members *en masse*. I think it is a one-off situation. I do not think there is any problem in any member contacting the distribution agencies of those journals in order to obtain more copies.

The Hon. T. CROTHERS: I have a supplementary question, Mr President. I am concerned about the way in which they disappeared, and it has recently come to my attention that one of the caretakers recently saw a poltergeist roaming the corridors of this Council. Can the President indicate to the Council if he considers that perhaps the poltergeist was the entity responsible for the disappearance of the publication to which I have referred?

The PRESIDENT: I do not see it as a serious question, but I will make sure. If anyone wishes to see me in my capacity as President, and they are having difficulty procuring the magazines, I will use my good offices to ensure that their needs are satisfied.

NATIONAL CRIME AUTHORITY

The Hon. I. GILFILLAN: I seek leave to make an explanation before asking the Attorney-General a question relating to the National Crime Authority's Inter-governmental Committee.

Leave granted.

The Hon. I. GILFILLAN: An editorial in the *Advertiser* on Tuesday 23 October in part read:

> . . . Attorney-General Chris Sumner should have the power to kick the authority out of the State, or at least give it direction. But he is a subject of an NCA investigation. By his not standing down, this so-called investigation seems only to be dragged out; this has also tied the hands of the State Government which would be seen as having partisan motives now for any move against the authority.

From the editorial in Adelaide's senior newspaper, this matter of the Government's satisfaction of the NCA in this State has been raised and, as the Attorney is a member of the inter-governmental committee—and I understand appointed by the Premier—that inter-governmental committee has, as one of its functions, the obligation to 'monitor generally the work of the authority'. That is from the National Crime Authority Act, section 9 (1) *(b)*. Because of his work with and responsibilities as a member of the IGC monitoring the work of the NCA, I ask the Attorney:

1. Is he satisfied that the IGC is fulfilling its obligation to monitor generally the work of the authority?

2. Does he personally have any criticisms of the authority's operations in South Australia that he has raised in the IGC and, if so, what are they?

3. Does the Attorney have any criticisms that he intends to raise in the inter-governmental committee and, if so, what are they?

The Hon. C.J. SUMNER: I am not going to answer questions Nos. 2 or 3. If there are criticisms to be made by the South Australian Government of the operations of the National Crime Authority in South Australia, they would be made and, I imagine, made public. I do not intend to answer a question as to whether I intend to raise any criticisms in the IGC of the National Crime Authority's performance in South Australia at this stage. Generally, I think I am satisfied with the IGC monitoring of the National Crime Authority.

The honourable member must realise that the checks and balances that were set up to deal with the National Crime Authority when it was established were carefully thought out (that is, the joint parliamentary committee and the IGC) and it was always envisaged, in any event, that the National Crime Authority should be at arm's length from the people who were giving it directions.

However, on the other hand, there would be a degree of accountability through those organisations. The IGC's principal purpose is to consider references which it gives to the National Crime Authority to investigate certain matters. Usually, those references are recommended to the IGC by the authority itself but, once a reference has been given to the authority, the authority must be given the charter of getting on and investigating that reference as it sees fit.

The notion that there will be political direction on the day-to-day operations of the National Crime Authority is just not acceptable, and I am staggered that the Hon. Mr Gilfillan seems to think that it is.

The Hon. I. Gilfillan interjecting:

The Hon. C.J. SUMNER: It is not avoiding the issue. It is not an insult.

The Hon. I. Gilfillan: Yes, it is.

The Hon. C.J. SUMNER: Apparently, the Hon. Mr Gilfillan now thinks that there should be interference in the NCA in the conduct of its operations.

The Hon. I. Gilfillan: What rubbish! You didn't listen to the question.

The PRESIDENT: Order!

The Hon. I. Gilfillan: I asked about the Act and asked the question seriously.

The Hon. C.J. SUMNER: What the honourable member quoted was an *Advertiser* editorial that says exactly this—and I will quote it again:

> The Attorney-General should have the power to kick the NCA out of South Australia or to give it directions.

That is what the honourable member said.

The Hon. I. Gilfillan: You can respond to that—

The Hon. C.J. SUMNER: That is what I am responding to. The implication in the honourable member's quoting that part of the *Advertiser* is, presumably, that he thinks that I should be in a position to give the NCA directions; is that correct?

The Hon. I. Gilfillan: I do not give opinions—

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

The Hon. C.J. SUMNER: What, then, is the point of reading out the *Advertiser* editorial?

The Hon. I. Gilfillan: Because it is an opinion that—

The Hon. C.J. SUMNER: The Hon. Mr Gilfillan is getting unduly sensitive about this matter.

The Hon. I. Gilfillan: Answer the question.

The Hon. C.J. SUMNER: I will answer the question. If the honourable member does not want me to answer about the *Advertiser* editorial he read out, he should not read out such things in the future and I will not bother to answer them. If he reads out as part of his question a section of an *Advertiser* editorial that states that I should have the power to kick the NCA out of South Australia and I should have the power to give it directions, presumably that is because he agrees with it.

The Hon. I. Gilfillan: That is your presumption.

The Hon. C.J. SUMNER: Whether or not the honourable member agrees with it, he has read it out, put it on the public record in *Hansard* and is now complaining because I am responding to it.

The Hon. I. Gilfillan interjecting:

The Hon. C.J. SUMNER: The Hon. Mr Gilfillan cannot have it both ways.

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

The Hon. C.J. SUMNER: I intend to respond to the Hon. Mr Gilfillan's quoting from the *Advertiser* on this topic, and I will say that I do not think it is appropriate for the Attorney-General or any other Minister of the Government to give the NCA specific directions as to how to carry out its investigations. To suggest that that should be the case is ridiculous. That comes from the Hon. Mr Gilfillan, who has spent so much time in this Chamber pontificating about the need for an independent commission against corruption, which he said would be completely independent from Government, and from any political influence. That is his position.

He comes into this Chamber quoting—with apparent favour—an *Advertiser* editorial that states that a Minister of the Government should be able, apparently, to give specific directions to the NCA about how it carries out its business. The NCA's presence in South Australia, the future of its presence, and the Government's attitude to it, are matters that the Government will need to determine in due course when the NCA has completed the inquiries for which we think it was brought into South Australia.

At that time a decision will be made about the future of State funding for the National Crime Authority in South Australia. Until that time, neither I nor the Government will say that we are going to kick the NCA out of South Australia. I would not have that authority on my own: it is not an authority that it would be appropriate for me to have on my own. If it is decided that the NCA's role in looking at those State matters has been concluded, then the State Government will stop its funding of the NCA. The national Government has already announced that the NCA will establish a permanent office here, anyhow. That will be funded by the Federal Government and, in light of those decisions, South Australia will have to decide—as I have said a hundred times before in this Council—whether it needs any other mechanism, apart from the Anti-Corruption Branch that is already established, to deal with allegations of corruption.

That is how the matter of determining the future of the NCA will be dealt with in South Australia. It is not a matter of my having the power to kick it out. That suggestion by the *Advertiser* was quite stupid. Furthermore, I think that the suggestion that I as Attorney or any other Minister of the Crown should have the power to direct the NCA how to carry out its investigations, if that is what is being suggested, is also stupid and clearly, in my view, does not indicate any understanding of the proper relationship between a Minister of the Crown and a body such as the National Crime Authority.

The suggestion which the Hon. Mr Gilfillan is apparently supporting by implication is that a Minister should be able to direct the NCA as to how to conduct its investigation. If an allegation came up in this Parliament that a Minister of the Crown or a member of Parliament had attempted to interfere with a police investigation of a particular matter

and had given directions as to how that matter should be handled, there would be uproar about political interference in the Police Force. It is true that the Attorney-General, in his role as the chief law officer, does provide advice to the police and, in that sense, Crown Law officers may be involved in advising on the nature of a particular investigation. That, of course, is quite appropriate; it would be done within the Attorney-General's responsibilities as chief law officer where, in any event, he is not subject to any political direction in relation to those matters.

However, I can assure members that, if there was any suggestion that the Government had improperly interfered in the conduct of a police investigation, the Hon. Mr Griffin would be in here condemning the Government up hill and down dale, yet the Hon. Mr Gilfillan comes in here and suggests that the Government should have the same authority, that is, to give directions to the NCA, apparently, as to how it should conduct its investigations.

That is not the proper relationship between the Government and the National Crime Authority. We have maintained a proper relationship with it. The reference given to it was approved by the inter-governmental committee, which was the appropriate body to do it, under the Act; that is, Federal and State Ministers. However, once it has its reference, it has to go about its investigation as it sees fit. That does not mean there cannot be discussions with the NCA about its priorities—

The Hon. I. Gilfillan: Who does that?

The Hon. C.J. SUMNER: Well, the Government can discuss. I have already been into that a hundred times before in this Chamber. It does not mean there are not discussions or briefings but, in the final analysis, it is the NCA that has to decide how it will conduct a particular investigation. The notion of giving it directions as to how to conduct an investigation, I would have thought, would be anathema to people in this Council.

The Hon. I. Gilfillan: You've had a chance to answer the editorial.

The Hon. C.J. SUMNER: Yes, I have; that is right. Thank you. The implication is that the Hon. Mr Gilfillan, in quoting the editorial, expects the editorial to be quoted and for me to ignore it in answer to the question. I say again that, if members use material in their explanations of questions, they will be answered.

The Hon. I. Gilfillan: I don't care about your attacking the editorial.

The Hon. C.J. SUMNER: Why do you quote from it?

The Hon. I. Gilfillan interjecting:

The Hon. C.J. SUMNER: Oh, so it is a dorothy dixer, then? Thank you; I appreciate it. I had not realised it was a dorothy dixer; if I had, I would have been much more gentle with the honourable member. In future if he is asking questions specifically to give me the opportunity to reply to allegations made in *Advertiser* editorials or elsewhere, I would appreciate it if he would let me know in the beginning and I will be much more circumspect in my comments in relation to him.

I am satisfied with the IGC's monitoring which, in any event, is responsible for giving the references and then monitoring them. What matters might be raised in the inter-governmental committee about the South Australian operations I do not intend to go into at this stage. It is clear that there have been problems in South Australia, and that would be clear to anybody in this Parliament and, I suspect, to anyone in the public of South Australia. However, at least the disputes that arose between Mr Faris and Mr Stewart have been resolved because they are not there any more; they have gone; they have retired. It is quite futile for either the Government or the Parliament to spend lots of time and taxpayers' money pursuing matters that have been disposed of because of the retirement of the individuals concerned.

There is a new Chairman in place, Mr Justice Phillips, who was a former Director of Public Prosecutions in Victoria. He was a leading defence counsel in Victoria. He is a well-known criminal lawyer. He had a period on the Victorian Supreme Court bench. There is obviously a heavy responsibility on Mr Justice Phillips to pull the organisation together following the problems that it has had with the Stewart to Faris changeover nationally and within South Australia. I think the fair thing to do, for all members of Parliament, is to give Mr Justice Phillips a go to get the NCA back on track. All I can say is that, on the face of it, he has all the qualifications necessary to do that.

There is no point in continuing to harp about what has happened in the past—the dispute between Faris, Stewart, Dempsey, Mengler and everyone else. It has obviously been a major problem and, as I said yesterday, the disputes in the NCA have only been to the advantage of the criminal elements in this State. I think the factional disputes that are occurring in the law enforcement agencies in this country only have that result—that is, to assist criminal elements in this country. Coming back to the NCA, surely even the Hon. Mr Gilfillan can see that there is a new Chairman; he is a qualified person. I think the inter-governmental committee would want to give him a go. When the NCA has completed its inquiries—and I think it needs to be given a chance at least to complete this particular investigation under reference No. 2—we can see what it has come up with and make our decision.

The Hon. I. Gilfillan: The inter-governmental committee?

The Hon. C.J. SUMNER: The inter-governmental committee, the Hon. Mr Gilfillan, the Hon. Mr Griffin or the community of South Australia, can access the report, parts of which I am sure will be made public. The NCA has been looking at the investigation under reference No. 2 since August last year. Seeing that the Hon. Mr Gilfillan has raised this, the other thing I want to say is that the continual trivialisation in the media of the nature of that investigation is something that does not do the media any credit.

The continual repetition by people like Mr Altschwager on the *7.30 Report* that all the NCA is doing is investigating whether I, the Hon. Mr Griffin or the Hon. Mr Gilfillan went to a brothel, is just a total trivialisation of the serious accusations that were made in the media in 1988. Those accusations were that there were public officials, lawyers, police officers and politicians who were not pursuing corruption in this State because they had been compromised by their association with brothel keepers, in particular because they had been blackmailed by them because they had been videotaped in compromising circumstances.

As I have said in this Council before, I cannot think that there could be a more serious allegation made against police officers, lawyers or politicians. They were not named, they were not specified. Surely, that is a serious allegation that requires investigation. It does people like Altschwager and others in the media who have trivialised the nature of that investigation no credit whatsoever. It is just half-smart journalism, when they know, on the record, that time and time again I have said in this Council that the inquiry is not whether I went to a brothel or not, or whether Hon. Mr Griffin or Mr Gilfillan went to a brothel the inquiry is whether or not there is anything in the substantial allegation made on the Channel 10, *Page One* program in 1988, which was repeated on the *7.30 Report* in 1989, that public officials of that kind were involved in that corrupt behaviour.

I think that deserves investigation. We have to wait until the report on that matter comes out. Clearly, that will then be in the public arena and we can assess the performance of the NCA in the light of that report. But, in the meantime, let us give Mr Justice Phillips a go.

The Hon. I. GILFILLAN: As a supplementary question, will the Attorney indicate what he sees as the work of the IGC to fulfil its obligation—'monitor generally the work of authority'? What does that involve?

The Hon. C.J. SUMNER: I think I explained what that involved in the answer to the previous question. It involves considering references, the granting of references, receiving reports on those references, monitoring the activities of the NCA in relation to those references, being satisfied that they are going satisfactorily and, ultimately, I guess, it would adjudicate on whether or not the reference should be withdrawn. In that context problems that have occurred within the NCA in South Australia could be raised. Frankly, most of it I hope is now history. There is a new Chairman; let's let him get on with the job.

LIQUOR LICENSING FEES

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Minister of Tourism a question about late liquor licence fee payments.

Leave granted.

The Hon. L.H. DAVIS: This question could just as well be directed to the Minister in her capacity as Minister of Consumer Affairs or Minister of Small Business. The Minister will be aware that the State licensing fee of 11 per cent, based on liquor turnover, will raise in the vicinity of $43.6 million in 1990-91—that is the budget estimate. This licensing fee is payable on a quarterly basis. In fact, the last quarterly payment was due on 1 October. There is a 14 day grace after which time there is an automatic fine of 10 per cent of the amount payable.

I have been advised that 82 restaurants, 39 hotels and 31 licensed clubs had not paid their licence fees by the due date in October. These are scary figures. They represent more than 10 per cent of South Australian restaurants, at least 10 per cent of licensed clubs and at least 7 per cent of South Australian hotels. Having talked to people in the industry, my information is that most of the hotels, clubs and restaurants have not paid—notwithstanding the fact that there is a 10 per cent additional impost if they do not pay the fee by the due date—simply because they do not have the cash to pay. Many people in the industry are hoping that Christmas will carry them through what they see as being at the moment an economic valley of death.

The fees payable are considerable. For instance, in South Australia, hotels could be paying as little as $1 000 a quarter to as much as $60 000 a quarter; and restaurants and licensed clubs typically will be paying a quarterly licence fee in the order of $500, ranging through to $3 000. As I said (and this is a subject that is of more than passing interest to you, Mr President) these are scary figures. They are a sign of the grim economic times. These figures follow hard on the heels of my recent question to the Minister where I pointed out that 16 hotels and motels in South Australia have gone into receivership this year. My questions are:

1. Is the Minister aware of the problem being confronted by hotels, restaurants and licensed clubs in South Australia in their inability to pay the October licence fees?

2. Does she believe that this confirms the crisis that exists in these very important labour intensive industries?

The Hon. BARBARA WIESE: I am aware that there has been a tendency for liquor licensing fees to be paid beyond the due date in recent times. This was drawn to my attention following receipt of the Auditor-General's Report, wherein he recommended that there should be a variation in the timing for payment of liquor licensing fees. This matter requires quite considerable attention if any action is to be taken on it. It is certainly the view of the officers in the Department of Public and Consumer Affairs that the suggestion of the Auditor-General for a variation in the payment of liquor licensing fees would in fact exacerbate the problem now beginning to emerge whereby hotel licensees are paying their fees late.

It was certainly an issue that had been brought to my attention and, as Minister of Consumer Affairs, I do not wish to take any action that might place any undue or further burden upon hotels in South Australia, particularly at a time when things are tough. I do not know exactly what the honourable member wishes me to do in answering this series of questions that he keeps putting to me about particular parts of our economy that are under pressure. I have acknowledged many times in this place that the economy is tight, and that of course means many businesses in South Australia and Australia will be feeling the pressure, and it will manifest itself in various ways.

If the honourable member is asking me to take personal responsibility for it, that is a rather silly thing to do and it is not something that I can or will do. All I can say is that, wherever possible in the areas for which I am responsible, I am willing to listen to the points of view that are put by representatives of industry, if they have reasonable suggestions about ways in which the State Government might be able to assist them to better conduct their businesses. Wherever possible, I will take up those suggestions.

For its part, the Government is also very careful to examine very closely any recommendations that are made requiring a policy decision by Government that may impact on businesses in South Australia, to ensure that where possible we do not take actions that will have an adverse impact. As I have said previously, the most recent budget brought down by the Government in fact did try to strike the sort of balance I am talking about, whereby we tried particularly to avoid placing an undue burden upon families and small businesses in South Australia, with the range of measures that we put together as a package as part of that budget process. We will continue to behave in that way as a Government and, where appropriate, take up issues with our Federal colleagues where they are in a position to act in the interests of the business community and to make things easier for them.

COMMON EFFLUENT DRAINAGE SCHEMES

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister of Local Government a question about common effluent drainage schemes.

Leave granted.

The Hon. PETER DUNN: I notice in the replies to questions asked during the Estimates Committee hearing that the Minister has said there is an increase in the funding for septic effluent drainage schemes or common effluent drainage schemes, whatever they are called. I know that many small as well as larger communities in South Australia wish to have a CED scheme installed. The scheme is a very sensible one, as everybody knows. It assists in controlling pollution and raises health standards, amongst other things. The Minister will know that I waited on her with a group

from Wilmington asking for just such a scheme, because the conditions at that time were very poor and there was a lot of flooding of effluent in the township of Wilmington.

These people indicated to me that they were led to believe that the project would start in the mid 1980s, but now they are told it will be the mid 1990s. I have been contacted by representatives of a couple of other local government areas with a similar story; that is, they were promised schemes in the 1980s and have now been told that they have been deferred. My questions are: does the Minister have a list of preferred sites for CED projects this October 1990? If so, has that priority list remained constant for the past three years? If not, what changes have been made to the priority list and what are the reasons? Will the Minister provide me with a list of towns prioritised for CED projects as at today's date and the list that existed in 1987?

The Hon. ANNE LEVY: I am happy to supply whatever information I can. Apart from the fact that I do not have such information with me, it is a bit difficult to provide some of that information to the honourable member. Priority lists have been drawn up on a number of occasions. A priority list was drawn up in 1980-81, and there were townships at that time which expected to get their CED scheme some time in the 1980s but which have not yet received it. Many other townships have applied for a CED scheme. Townships are always allocated a priority; not on time of application but on health need for the scheme. So, it is possible for a township that applies later to be put ahead of townships that have applied earlier because their health need is greater. That is the sole criterion used for determining the priority list.

In this current financial year, the schemes at Tumby Bay and Robe will be completed. A scheme has been commenced in the past financial year in the township of Laura, and that will certainly be completed this financial year. Other townships are high on the priority list, and there are certainly three schemes that we hope to commence this year. It is a little hard to be more specific because of an enormous blowout in costs of the scheme at Robe. That has led to arbitration and dispute between the local council and the contractor regarding costs. Until that matter has been settled satisfactorily, it is hard to know what resources will be available for other schemes after Robe has been paid for in the current financial year.

I will certainly obtain a list of the schemes that are expected to be commenced in the next two or three years and let the honourable member have it. I think I know it, but I hesitate to state it in the Council in case I should have the order wrong and, in consequence, cause a great deal of consternation and concern in certain communities around the State.

I point out that currently about 72 townships have applied for a STED scheme. A couple of months ago the unit within the department began a program of re-examining all the requests and, if necessary, reordering the priority list as a result. Certainly requests have been made, some dating back many years, which were not judged to be of high priority at that time. However, with the passing of time their need may have become more urgent, and it may be that on re-examination their priority rating should be raised. So, all 72 applications are being re-examined with the aim of drawing up a new priority list for them.

It might be better to wait until that reordering has been done, as any priority list for all 72 applications which I could supply at the moment may well be altered in the not too distant future as the reordering and re-examination of the these proceed. That re-examination has commenced, but I would not expect it to be concluded within a few weeks. It is obviously a major undertaking to re-examine all the 72 townships which have requested a STED scheme. I shall be happy to get whatever information I can for the honourable member.

The Hon. PETER DUNN: As a supplementary, will the Minister inform those councils which have had their schemes put back, so that they will not have to keep the money in the kitty but will be able to use it? I know that a number of them have money set aside, thinking that they were high on the priority list, but they may now be further down the scale. Will the Minister inform those councils if and when she changes the list?

The Hon. ANNE LEVY: I shall be happy to undertake to inform any council whose priority listing has slipped. As far as I am aware, that has not occurred. I cannot say whether it might not have occurred five years ago, but certainly in recent times I am unaware of any change in priority listing of those high on the list. The particular township to which the honourable member referred, the District Council of Wilmington, is now expected to receive finance for its STED scheme in the 1993-94 financial year. This does not mean that it has slipped in priority rating. It is just that the cost—

The Hon. Peter Dunn interjecting:

The Hon. ANNE LEVY: It was informed, but the money was not available. The cost of these schemes is rising rapidly to a far greater extent than the CPI. Although the Government in this financial year has increased its allocation for STED by 33 per cent, it is still only a drop in the ocean compared with the requirements of the 72 townships around South Australia.

BARLEY MARKETING

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking a question of the Minister of Tourism, representing the Minister of Agriculture, on the subject of barley marketing.

Leave granted.

The Hon. M.J. ELLIOTT: The Ministers of Agriculture in Victoria and South Australia have set up a working party which has a report currently circulating in relation to barley marketing in South Australia and Victoria.

I have been lobbied by a large number of barley growers taking a very different view of the present barley marketing situation from that taken by the review committee. The growers have expressed grave concern about the major proposals contained in the report and are worried that legislation implementing those proposals is planned.

The review proposes that a National Barley Marketing Board be established. Growers are concerned that, should a national board be formed, their representation and voice would be greatly diminished and they would be at a disadvantage, despite the fact that South Australia produces half of Australia's barley. Virtually all South Australia's barley is marketed through the local board, whereas the New South Wales board markets only a third of the barley grown in that State, which grows less barley than we do to begin with. The returns to South Australian farmers also are far higher than those in New South Wales.

The other major concerns relate to the membership and composition of the proposed national board. The growers point to the situation which currently exists with the Australian Wheat Board, where members are selected, not elected, which used not to be the case. In this case, members are still elected for the Barley Board.

Last season South Australia was the second biggest wheat producing State, but it does not have a single representative on the Australian Wheat Board. They said to me that the deregulation which applied to the Wheat Board has been a failure, and that the grower returns in the domestic market have plummeted as a response, noting also that the price of bread did not go down with it. The barley growers whom I have met are calling for a referendum of growers on the major proposals put forward by the review committee before any legislation is drafted. Will the Minister hold a referendum of South Australian barley growers before drafting legislation implementing the recommendations of the recent review committee?

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

REPLIES TO QUESTIONS

The Hon. BARBARA WIESE: I seek leave to have the following replies to questions inserted in *Hansard.*

Leave granted.

AGED CARE FUNDING

In reply to **Hon. T. CROTHERS** (5 September).

The Hon. BARBARA WIESE: My colleague the Minister for the Aged has supplied the following information in response to the honourable member's questions:

1. There does appear to be some possible inconsistency between the call by the Federal Leader of the Opposition for reduced social welfare spending, and the concern expressed by the member for Hawker about poverty and inadequate servicing in the ageing population of her electorate.

However, it is not clear whether Dr Hewson was advocating a reduction in welfare spending for the elderly in particular, or in other areas of social services and income support.

2. The impact on the elderly of any reduction of welfare spending would naturally depend on which programs were selected as targets for savings. The South Australian Government is firmly opposed to any such reduction.

3. So far as the Government is aware, the Federal Leader of the Opposition has hitherto refused to state which areas of social welfare spending he believes should be reduced. This seemingly generalised indifference to disadvantaged and vulnerable people is of greater concern to the Government than any electoral opportunitism or lack of diligence of the part of the Member for Hawker.

PHARMACEUTICAL BENEFITS SCHEME

In reply to **Hon. R.I. LUCAS** (22 August).

The Hon. BARBARA WIESE: In respect of the honourable member's questions, the following information has been provided by the Minister of Health:

The recently announced changes to the Pharmaceutical Benefits Scheme (PBS) contained in the Federal Government's Budget mean that from 1 November, 1990 a charge of $2.50 will be made for each item dispensed to pensioners and other beneficiaries through community pharmacies. This charge will apply for up to a maximum of $130 a year ($150 for the initial 14 month period). In conjunction with the introduction of this fee is a $2.50 increase in pension. Persons who have the pension as their only source of income will be provided with an upfront lump sum of $50 (equivalent to 20 weeks of the increase) to assist them if they should have a significant number of prescriptions to be filled early in the year. This figure will be treated separately from the pension, that is, this amount is in addition to any pension increases obtained through movement in the CPI. Recipients of a full pension will receive this increase from 1 November 1990.

Under the new scheme low income families receiving Family Allowance Supplement payments will be eligible for the Health Care Card which provides PBS items at the concessional rate. Members of the community who suffer from a chronic disorder but are not recipients of any pension or low income family assistance benefits will continue to be catered for under the safety net scheme. The threshold for maximum payments will be $300 effective from 1 January. The concessional rate of $2.50 per item will then be charged up to a total of $350, after which there will be no charge. All inpatients of public hospitals will continue to receive free pharmaceuticals.

AIDS PRECAUTIONS

In reply to **Hon. R.J. RITSON** (5 September).

The Hon. BARBARA WIESE: In response to the honourable member's questions, my colleague the Minister of Health has advised that the Government's attitude to HIV testing in the hospital setting is well summarised in the National HIV/AIDS Strategy released in August (paragraphs 5.2.12 and 5.2.13) which states:

Health-care settings:

5.2.12. In regard to the testing of patients for surgical procedures, the following guidelines, based on the interim guidelines established by the Australian Health Ministers Conference in March 1989, and supported by the Australian Medical Association, should apply:

- testing should be performed only with the patient's knowledge and informed consent. In the event that a result is positive, follow-up counselling is essential;
- testing is appropriate and should be encouraged where it is clinically relevant to the patient or where the patient is believed to be at high risk. This may include situations where a positive result would affect the intended treatment;
- routine testing does not obviate the need for blood and body fluid precautions and may be falsely reassuring, particularly if the test result is negative but the patient is in the window period (the period between initial infection with HIV and the appearance of detectable antibodies);
- there are emergency situations, for example where a patient is unconscious, in which consent is not able to be obtained. In these circumstances a doctor should perform any test which is clinically relevant, acting as an 'agent of necessity';
- in the event that a patient for whom a test may be clinically relevant refuses permission for testing, he or she should be treated without discrimination but the appropriate precautions as if he or she has the infection; and
- confidentiality according to the normal ethics of medical practice is mandatory under all circumstances.

5.2.13 Testing may also be relevant where there is an alleged risk to another person of transmission from a service provider to a patient (for example, certain invasive surgical procedures).

The SA Health Commission is aware of the 'cut-proof' gloves to which the honourable member refers. They are just that, and offer no significant protection to needle-stick injury.

This means that the use of these gloves has a limited potential to reduce health care worker injury, restricted probably to fields of surgery that entail a great deal of scalpel use, such as in some orthopaedic operations.

The gloves can be re-used a number of times provided that washing is done with care. Excessive heating destroys the pliability of the fabric. The Minister of Health would expect these gloves to be available for the use by staff where it is reasonable and appropriate to reduce the occupational health and safety risk to staff in the circumstances.

MOUNT GAMBIER HOSPITAL

In reply to **Hon. T.G. ROBERTS** (23 August).

The Hon. BARBARA WIESE: As the honourable member may be aware the Government has announced the compulsory acquisition of Corriedale Park for the purpose of building a new hospital for Mount Gambier and surrounding community.

This land is owned by the City of Mount Gambier and was originally acquired by council for parklands/recreation purposes.

The City of Mount Gambier has opposed the use of Corriedale Park for the hospital site and following the

announcement of compulsory acquisition proceedings, the Minister of Health met with a deputation from the area including the local member, the Hon. Harold Allison, the Mayor and other representatives of the City of Mount Gambier.

At that meeting the possibility of a compromise on the site was raised and the matter was subsequently taken up between the Health Commission and the City of Mount Gambier.

In essence, the City of Mount Gambier will now make a contribution towards the costs of land preparation on their preferred site on Penola Road East which will, in fact, remove the financial disadvantage of that site compared to Corriedale Park.

As further commercial discussions will now take place with respect to land acquisition, the Minister of Health cannot advise the 'exact' location of the land in question.

The Hon. C.J. SUMNER: I seek leave to have the following reply to a question inserted in *Hansard.*

Leave granted.

VIDEO GAMING MACHINES

In reply to **Hon. J.C. BURDETT** (16 October).

The Hon. C.J. SUMNER: Conditional orders for a total of 750 video gaming machines have been placed with two manufacturers. The orders are conditional upon:

(a) completion of the parliamentary process;

(b) the Casino Supervisory Authority recommending changes to the Terms and Conditions of the Casino Licence;

(c) approval by the supervisory authorities of:

(i) the manufacturer;

(ii) the design and manufacture of the equipment;

(iii) the particular games on the machines.

No delivery date has been specified—that date will only be fixed after the appropriate approvals are forthcoming.

The stands accompanying the machines are subject to the same conditions. One manufacturer, for reasons of his own convenience, has delivered 300 stands, which are presently stored in an unused portion of the Railway Station Building. These stands have not, as yet, been purchased and the manufacturer will have to remove them if the required approvals do not eventuate.

Thirty-two video cassette recorders of standard design have recently been purchased by the Casino. If it transpires that they are not required for surveillance of video machines, they are equally usable in the existing table game surveillance operation.

The Hon. ANNE LEVY: I seek leave to have the following replies to questions inserted in *Hansard.*

Leave granted.

FESTIVAL PLAZA

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

The Hon. ANNE LEVY: The 2.5 centimetre gaps mentioned, together with the 15 centimetre hole highlighted in the press, were caused by a heavy vehicle moving over the Plaza which, in the case of the larger hole, broke through the suface. Those gaps have subsequently been corrected and SACON is now positvely securing the panels in heavily trafficked areas in place to prevent any recurrence of this problem. That work will be completed by 9 November.

All the defects previously identified by the Adelaide Festival Centre Trust have been corrected except repainting of the Southern Plaza and Hajek sculpture, and the few defects related to the firm which as I previously mentioned has gone bankrupt. The Adelaide Festival Centre Trust is painting the Southern Plaza, as part of its normal maintenance program, and correction of the other remaining defects is being negotiated.

Apart from those defects and the panel fixing I mentioned earlier, redevelopment work on the Plaza has ceased and regular maintenance has commenced.

ADELAIDE FESTIVAL CENTRE TRUST

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

The Hon. ANNE LEVY: Regarding capital funding and equipment replacement at the Adelaide Festival Centre, I reiterate my comments of 16 October. The Adelaide Festival Centre Trust requested $336 000 for extraordinary maintenance, $659 000 for capital replacement and $660 000 for new capital items in the 1990/91 period, and a total of $550 000 was provided on recommendation of the Arts Finance Advisory Committee for the first two items.

It is interesting to note that in the five years since 1985/86, the Adelaide Festival Centre Trust has received a total of $1.434 million for extraordinary maintenance and $3.873 million for capital replacement from a mixture of capital and recurrent allocations, in addition to the $10.7 million spent on repair and upgrading of the Plaza.

As I stated previously, the Government has moved to address the similar needs of all the performing arts venues for which it is responsible, and the Adelaide Festival Centre Trust's needs will have to be addressed in light of both the overall requirements and the availability of funds in future periods.

The need to preserve the Adelaide Festival Centre Trust's equipment and infrastructure at appropriate levels is obvious and the cost and method of funding that will be considered as part of the overall study I mentioned.

That work is proceeding and it is anticipated some additional funding will be provided in the current period as a result of that study.

MINISTERIAL STAFF APPOINTMENTS

In reply to **Hon. R.I. LUCAS** (17 October).

The Hon. ANNE LEVY: The selection panel for the position of Administrative Assistant in my Ministerial Office comprised:

Clive Nelligan—Senior Administrative Officer, Minister's Office

Loene Furler—Ministerial Adviser, Minister's Office and elected Staff Representative

Anna Gabrielli—Manager, Personnel Services, Department of Local Government (North Adelaide)

There were two unsuccessful applicants for the position.

ALLOCATION OF FEDERAL FUNDING

In reply to **Hon. R.J. RITSON** (14 August).

The Hon. ANNE LEVY: My colleague the Minister of Employment and Further Education has advised that there are two scholarship schemes providing relief from Higher

Education Contribution Scheme charges. One is aimed mostly at postgraduate students and the other is available only to teachers for professional development. The Commonwealth has reviewed the guidelines regularly and the 1991 guidelines are expected to be available in the next few months.

The 1990 Commonwealth guidelines for the postgraduate scheme stipulate that:

(a) all holders of an Australian Postgraduate Research Award automatically qualify for a HECS Scholarship;

(b) highest priority in the allocation of the remaining awards should be given to other full-time higher degree students, whether by research or course work, and to part-time research higher degree students; and

(c) the remaining scholarships are available for allocation at the discretion of the institution.

South Australian institutions received 1 342 HECS scholarships.

The guidelines do give preference to research courses, which reduces the number of scholarships remaining to be given to non-research students, but the number of such students is significantly greater than the total number of scholarships in any case. As many mature age higher degree students are enrolled part-time in course work for higher degrees such as a Master of Education or a Master of Business Administration, they are likely to be a long way down the list of likely scholarship recipients.

The guidelines for the allocation of scholarships for the professional development of teachers stipulate that they are restricted to candidates undertaking courses which are deemed by education authorities to be relevant to improving the quality of the teaching service by upgrading relevant knowledge and skills, improving teaching practice or enabling teacher conversion into key subject areas in which there are teacher shortages. South Australian teacher employing bodies were allocated 360 of these scholarships.

These awards are not biased towards research. Indeed the guidelines make it clear that they are not intended to support research which is not of an immediately 'practical' nature. Hence, they are more likely to be available for the type of upgrading that the Hon. Dr Ritson described, provided the applicant is a practising teacher. There are no equivalent scholarships reserved for any other professional group.

STATE CLOTHING CORPORATION

In reply to **Hon. J.F. STEFANI** (11 October).

The Hon. ANNE LEVY: No grant funds have been provided since 1 July 1990 to the State Clothing Corporation. The deficit for the Corporation for 1989-90 was $252 000. For 1990-91 $350 000 has been tentatively provided for in case it is needed. The increase over the previous year's funding reflects the worsening market conditions in the clothing industry generally and the requirement for maintenance of existing unprofitable lines of business until the product range and employment levels can be rationalised to such an extent that a smaller range of products is produced by a smaller workforce. This result will be achieved within the Government's commitment to a no-retrenchment policy.

PAPER TABLED

The following paper was laid on the table:

By the Minister of Local Government (Hon. Anne Levy)—

Education Act 1972—Regulations—Senior Positions.

STAMP DUTIES ACT AMENDMENT BILL (No. 4)

Adjourned debate on second reading.

(Continued from 18 October. Page 1178.)

The Hon. R.I. LUCAS (Leader of the Opposition): This Bill seeks to amend the Stamp Duties Act in a number of ways. First, it seeks to establish a new method for calculating and paying licence fees for general insurance companies operating in South Australia by ensuring that stamp duty on general insurance premiums is paid monthly instead of annually; secondly, stamp duty on compulsory third party motor vehicle insurance is to increase from 50c per $100 to $8 per $100 and be paid monthly; thirdly, dutiable premiums for general insurance will no longer be net of commissions or discounts; and, fourthly, stamp duty on certificates of compulsory third party insurance is to be increased from $3 to $15. Those changes will rake in approximately an extra $25 million in a full year for the State Government.

In making some brief comments on this Bill, I do not intend to go over the comments that I have put on behalf of my Party in the Appropriation Bill debate, the Pay-roll Tax Act Amendment Bill debate, the Financial Institutions Duty Act Amendment Bill debate and, in fact, the Government budget strategy and, therefore, the related tax Bills. My views have not changed, nor should they have, in the space of the last week or so.

The Liberal Party has indicated that it believes that there was, and still is, a sensible alternative budget strategy that could—and indeed should—have been adopted by the Bannon Government, rather than pursuing this strategy of increasing the level and take from business and the community over a whole range of taxation measures such as stamp duty, pay-roll tax and financial institutions duty. As I said, I will not repeat those comments during this debate.

In talking about the effects on the community of increases in taxes and charges, in this case increased stamp duty, I want to refer to a submission that the Liberal Party received from the Royal Automobile Association of South Australia in relation to the increased costs to the community of the decisions that are being taken in the stamp duty legislation.

I want to quote from a letter from Mr J. Fotheringham, Chief Executive of the RAA in South Australia, as follows:

> The proposal to increase the duty payable by SGIC on compulsory third party bodily injury insurance premiums from .5 per cent to 8 per cent will have either a direct or indirect effect on all motor vehicle owners. If the increase is passed on in the form of higher insurance premiums we estimate that, on average, owners will pay about an extra $14 per year.

Some may say that perhaps that is not too significant a sum but, when one looks at the increased charges that will flow to the taxpaying community of South Australia in all the other areas as a result of State budget decisions, this indeed is just one extra impost or burden that will be placed upon the South Australian taxpaying community and, in this case, those of us who drive motor vehicles. The letter goes on to say:

> The RAA considers that the third party bodily injury insurance fund is sufficiently healthy to absorb the increased duty and has called for the fund to absorb the increased cost. Even if the cost is absorbed it would mean that further possible decreases in bodily

injury insurance premiums which might have been expected will not occur. The Association is in the process of researching the history of the stamp duty payable by both motorists and SGIC to determine whether the arrangements constitute 'double dipping'.

The brief quote from the letter by Mr Fotheringham indicates, in this particular area, the increased cost to the community of measures like the stamp duty Bill that we are considering here this afternoon.

As I indicated, the major change in this piece of legislation is, in effect, to have the stamp duty on general insurance premiums paid monthly instead of annually. Looking at the Government argument for this Bill not only in the second reading explanation but also in the debate in another place, one sees that it is clear that at present insurance companies pay at the end of February an annual licence fee which is calculated as a percentage of net premiums awarded in the previous calendar year; the rate for general insurers is 8 per cent and the rate for life offices is 1.5 per cent.

The notion of whether this licence fee payable in February is paid in advance or in arrears is a matter on which I have received a number of submissions. I understand that the Government has its own particular point of view, and I will listen with interest to the Minister and his adviser as to the Government's version of whether this annual licence fee, payable in February, is indeed a payment in advance or a payment in arrears.

As best I can understand the argument, the Government and Life Insurance Federation of Australia (LIFA) appear to be in agreement that it is payment in advance, and I thought I understood that the Insurance Council of Australia was, indeed, arguing the reverse case. That is something that I want to explore with the Minister and his adviser during the Committee stage of this Bill. The Minister in his second reading explanation stated that in May 1989 the Premier wrote to the Insurance Council of Australia and the Life Insurance Federation of Australia suggesting a change to a monthly system of paying licence fees.

After negotiations with both groups, the Under Treasurer wrote in January 1990 suggesting an arrangement whereby annual licence fees based on 1989 premium income would be payable on 28 February 1990. Secondly, monthly returns would be introduced from 1 July 1990, with the first payment due on 15 August 1990, calculated on July premiums. The ICA, which represents companies paying over 90 per cent of the duty, has accepted this proposition from the Government. LIFA has not accepted the proposal. Therefore, in the legislation before us the Government has adopted a different arrangement for ICA as opposed to LIFA.

For the 1990-91 licensing year, the Government proposes that general insurance companies will pay their licence fees by monthly instalments, whilst life insurance companies will continue to pay annually. For 1990-91 the general insurers will be required to pay only 11 monthly instalments, but thereafter will pay 12 instalments each year. The Minister noted in his second reading explanation that discussions with the life insurers will continue on the proposal to shift to a monthly licensing system and several associated matters.

As I said, that is the major change being established under this Bill. Varying views have been expressed to the Government and to the Liberal Party about this change. I will quote from a submission I received from LIFA on this aspect of the Bill. It will make clear LIFA's concerns about this Bill and will also be an argument for the amendment the Liberal Party will move during the Committee stage.

I note, for the benefit of the Hon. Mr Elliott, that, on the advice I have received from Treasury officers, the amendment involves only an insignificant amount of revenue change to the Bannon Government. We can pursue that in greater detail during the Committee stage, but my advice is that it is almost a revenue neutral amendment. The submission from LIFA states:

The Bill seeks to establish new methods for calculating and paying licence fee for general insurance companies operating in South Australia. However, it appears to have inadvertently caught life offices under these proposed arrangements, because LIFA members market disability insurance which (together with other supplementary benefits like accident benefits attaching to life policies) for the purposes of the Bill, is defined as 'general insurance'.

Although the Bill's definition of general insurance excludes any insurance business not relating to life policies, it also states that the term 'life insurance policy' does not include a policy covering personal accident. This definition would suggest disability insurance sold by life offices will have licence fee dutied on a monthly basis, despite the Minister's assurances that 'life insurance companies will continue to pay on an annual basis'.

LIFA argues that disability insurance does relate to life insurance and is indeed deemed to do so by the Commonwealth Life Insurance Act (1945).

The matter of whether the Minister concedes that the sort of disability insurance LIFA is discussing is in fact deemed to be life insurance by that Commonwealth Act is one that I intend to pursue with the Minister during the Committee stage. The obvious question then is: what are the implications of this Bill, at least in the view of the life insurers, if it were to be passed in its present form. The Hon. Mr Elliott has recently seen a copy of the LIFA submission, which argues over about one page, for differing reasons, as to what it sees as the implications for life officers if the Bill is passed unamended. The submission carries the following headings:

Double duty payment.

Life officers would have to run two licence fee systems.

All life office business may be caught for licence fee on a monthly basis.

Licence fee level will be increased.

During the second reading debate I intend to refer only to two of those implications, although during the Committee stage I and my colleagues may pursue some of the other matters raised by LIFA in this submission. The first is the implication for life officers under the heading 'Double duty payment', which states:

Life insurance companies may have to pay double duty on disability premium income received from 1 July 1990 to 31 December 1990. The Premier wrote to LIFA's SA branch Chairman on 26 May 1989 proposing that a system of monthly returns for licence fee be introduced from 1 January 1990. LIFA immediately responded and pointed out that such a change in the method of calculation would result in a double payment in 1990—the normal annual licence fee having been paid by the end of February 1990 to cover the period until 31 December 1990, as well as the payment of monthly fee instalments throughout 1990.

Of course, that is predicated on the basis of LIFA's view that this annual licence fee paid in February is a fee paid in advance; that is, the fee paid in February of a particular year is a fee paid for the licence for the whole of that calendar year ending 31 December. The submission continues:

For those same reasons, LIFA rejected the Government's proposal to introduce the new system on 1 July 1990.

That suggestion is incorporated in this legislation. The submission states further:

Given that payments are made to the Government annually in February for that calendar year's licence, the change to monthly payments—apart from being less efficient—should actually delay payment to the Government, in our view.

The second implication for life offices, under the heading, 'Life offices would have to run two licence fee systems', states:

If the Bill is passed, life offices would be left in the unhappy position of having to arrange an annual licence fee for their life business, and yet pay on a monthly basis for all disability prod-

ucts. The administrative costs associated with changing to a monthly system would be even further complicated by the need to run a parallel administrative system for annual licence fee payments.

Obviously, the life insurers are most unhappy about this implication. The Government has indicated that it is a Government that, at least in some other areas, does not seek to impose further regulation on business and industry. In this case, the life insurers are arguing very forcefully that, in their view, the Government is quite needlessly imposing extra administrative requirements and administrative costs on the life insurers.

Increased costs for life insurers do not end with them, of course. They will flow on to each and every one of us who may take out life insurance or associated disability products with life insurers.

I believe that is one of the key aspects of the legislation which does need to be explored in greater detail in the Committee stage, and the Liberal Party will move amendments to that provision.

The second significant change in the legislation is, in effect, the change in the calculation from net premiums to gross premiums. The second reading explanation clarifies this change in the following way:

> In calculating their licence fees general insurers are at present permitted to deduct from gross premiums any commission or discount and any portion of those premiums paid by way of reinsurance. Duty is payable on the net amount. In other States only amounts paid by way of reinsurance are deductible. Many of the general insurers operating in this State are national companies and their systems are operated on a national basis.
>
> If the basis of the tax on general insurers in this State were changed to gross premiums (less reinsurances) there would be uniformity throughout Australia and the national systems operated by these companies would reflect the legal position here as well as in other States. The Government has agreed to change the method of levying tax in this State in the interests of harmonising collection procedures. The extra duty payable may be as much as $4 million in a full year.

When I read the Minister's second reading explanation of this aspect of the Bill, I must say that I struggled to understand why the general insurance companies in particular would agree to a change which, certainly on the face of it, means that their payment of stamp duty would have to be increased under the new arrangement. Under the current arrangement, they are paying stamp duty on a lower figure, that is, in effect, a net premium figure, yet what the Government was saying in the second reading explanation was that the general insurance companies—the ICA in particular, representing them—was prepared to move to a system of gross premium, virtually, although reinsurances would still be deducted. However, they were prepared to move from a net premium base to a gross premium base which, of course, means the calculation of stamp duty would be higher for those general insurance companies as a result of this piece of legislation.

So, I must admit that I wondered as to the correctness or otherwise of the statement made by the Minister, which certainly seemed to indicate that, not only was the Government doing it, but it was doing it as a result of virtual recommendations by the general insurance companies. However, on 18 October, I received a letter from Mr Noel Thompson, regional manager of the Insurance Council of Australia and, without reading all five pages of that letter, I think it important to place on the record a paragraph on page 4 which states:

> As the insurance provisions of the Act are to be significantly amended it is an appropriate time to move from a net premium to gross basis for stamp duty assessment. This will align with the procedure in all other States and ensure that the amount of duty charged does not vary for direct or commissioned business. ICA promoted this change.

So, it is quite clear that the insurance council indeed not only supports but also, as Mr Thompson indicates, promoted this change to the Government and, certainly on that basis, the Liberal Party does not plan to object to this aspect of the Bill. We intend pursuing that and one or two other matters by way of questioning and will also move an amendment during the Committee stage of the Bill. However, at this stage, I conclude my contribution to the second reading debate by repeating the view of the Liberal Party that we believe an alternative budget strategy could have been adopted that would have prevented the Parliament's having to consider Bills dealing with such matters as payroll tax, financial institutions duty and now, stamp duty. Each of these Bills in their own way seeks to increase tax collections to the State budget by, in total, $233 million in this current State budget.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

The Hon. R.I. LUCAS: I move:

Page 1—

Line 20—After 'life insurance policies' insert 'or life company accident or sickness policies'.

After line 20—Insert definition as follows:

'life company accident or sickness policy' means any policy of insurance issued by a company registered under the Life Insurance Act 1945 of the Commonwealth other than a life insurance policy.

I apologise for my oversight in not providing this amendment sooner. I indicated in my second reading contribution that I would move this amendment. This is the area in which major objections have been lodged with the Government and with the Liberal Party by the Life Insurance Federation of Australia Inc. about the effects of this legislation. I do not intend to go over again in detail the comments that I made during the second reading contribution but, certainly, the advice I have received—and, I think, it is something that perhaps the Hon. Mr Elliott might like to pursue with the Attorney and his advisers—is that this amendment is virtually revenue neutral; it does not involve a significant amount of money at all.

We are talking about a principle; that is, that LIFA does not want to have to pay an annual licence fee for its life insurance policies and then also have to set up a separate licence fee system to pay these add-on policies (or the disability products as it refers to these products) on a monthly system. I urge the Hon. Mr Elliott to consider this amendment favourably.

The Hon. C.J. SUMNER: The Government opposes this amendment. We believe that it would give a competitive advantage to life insurance companies and, therefore, cannot be justified. Disability insurance has always been categorised as general insurance and liable as such. For that segment of their business, the Bill provides for a monthly return. Companies will need to have only one licence, but different payment mechanisms apply, depending on the nature of their business. There has been no inadvertent catching of life business. For the life business they will continue to do what they always have.

LIFA has rejected the Government proposal for a common system. The Government would welcome its acceptance of monthly based returns and would be pleased to hold further discussions with it to facilitate its introduction. I point out that the Insurance Council of Australia, representing general insurers, which pays over 90 per cent of the tax base, has welcomed these changes. The Government acknowledges its assistance in this regard. To accept these amendments would place general insurers who conduct disability insurance at a competitive disadvantage to life insur-

ers and, therefore, there would be no level playing field—that is, general insurers, whose umbrella organisations have cooperated and facilitated the change, would be put at a disadvantage.

The Hon. R.I. LUCAS: Can the Attorney explain in detail the competitive disadvantage the Government is talking about in relation to general insurance companies and life insurance companies if this particular amendment were to be passed?

The Hon. C.J. SUMNER: Life companies would be paying duty on a net basis; the general insurers would be paying it on a gross basis. It is not a big difference, but there would be, therefore a competitive advantage to life companies.

The Hon. R.I. LUCAS: As I understand it, and as the Attorney has indicated, life insurers would be paying, in effect, stamp duty of 8 per cent on a net premium and general insurers would be paying 8 per cent on a gross premium. The advice I have been given is that the ultimate effect, if this amendment were to be passed, is that there would be virtually insignificant change in revenue collections for the State Government, that is, it is virtually revenue neutral.

If that is the case I would have thought that what we are talking about is virtually a negligible competitive advantage between life insurers and general insurers on this particular product, because if the advice given by the Attorney's adviser is that the total effect of this amendment is virtually to be revenue neutral, then it must be that the competitive advantage about which the Attorney is speaking must be virtually negligible as well. In my view there is no way that one can argue that there is a significant competitive advantage between life insurer and general insurer if the Liberal amendment is passed if one also argues that the ultimate effect of our amendment is that it will be virtually revenue neutral. I seek a response from the Attorney to that.

The Hon. C.J. SUMNER: The basic proposition is that the same rate should apply to the same class of insurance. As I said in my response, I do not see the basis for drawing a distinction between life insurers and general insurers, particularly as the general insurers provide the bulk of the tax base in this area. As the Hon. Mr Lucas says, there are unlikely to be significant changes in revenue collection; it is difficult to estimate. Nevertheless, the Government believes that the duty should be paid on the same basis; that there ought to be a level playing field in relation to the same form of insurance, even if it is offered by a different category of company.

The Hon. M.J. ELLIOTT: The Opposition, whilst taking up the argument of LIFA suggesting that there would be increased costs due to the fact that it was looking at both annual and monthly calculations, has not indicated at any time the size of this increased cost. It is now arguing that the cost to the Government as a result of the amendment would be inconsequential. However, at no stage has the Opposition demonstrated the cost to the companies. I suspect that the cost, in these days of computers where virtually everything would be done by program, would be inconsequential as well. Unless there is a demonstration that there is a very clear and marked cost differential, which I do not believe there is, I will not support the amendment.

The Hon. R.I. LUCAS: Obviously the Liberal Party is not in a position to give the Hon. Mr Elliott a dollar sum of what the increased cost to life insurers will be, as indeed—

The Hon. K.T. Griffin: Bureaucratic red tape.

The Hon. R.I. LUCAS: Exactly, there would be bureaucratic red tape. Indeed the Government, with all the advisers at its disposal, is not in a position to say what the effect of the Liberal Party's amendment would be. What we have been able to get is that it would be virtually revenue neutral; it would not be a significant amount, but that it is very difficult to estimate—and that is with all the resources of Government and Treasury to support the Attorney-General. So, clearly the Liberal Party cannot give the Hon. Mr Elliott—and indeed should not be expected to do so—a dollar sum. We are certainly arguing a case, and accept the argument, that it will be an increase in bureaucratic red tape. It will certainly increase the cost, at least to some extent, for the life insurers, and it does not appear to be for any good purpose.

If I could return to the earlier argument about the difference between 8 per cent of net premium to be paid by the life insurers and 8 per cent of gross premium to be paid by the general insurers, one has to remember that the Insurance Council of Australia submission (the general insurers) argued that they should move from the net premium basis to the gross premium basis. I can only assume they have done so on the basis that they have done their calculations, and that in some way, by doing insurance on a national basis, their administrative costs must be lowered by such a move. It is therefore a consistent calculation done over all the States, and that will offset the increase in stamp duty payable as a result of moving from net premiums to gross premiums.

I again urge the Hon. Mr Elliott to give consideration to the amendment moved by the Liberal Party, particularly on the basis that the Government has said that the amendment would have a virtually negligible or insignificant revenue effect. In the view of the life insurers the measure as proposed will increase administrative costs and bureaucratic red tape for the life insurers, with the potential for that flowing across in costs to people taking out life insurance policies, and so it would seem, on the surface anyway, to be a good argument for accepting the Liberal Party's amendment.

The Hon. M.J. ELLIOTT: I have not been persuaded by those arguments. Really, there are no backup statistics to demonstrate the size of any claim problem, and I will not support the amendment.

The Hon. R.I. LUCAS: In his earlier contribution, the Attorney-General indicated that disability insurance had always been considered as general insurance. The submission from LIFA to the Liberal Party states:

> LIFA argues that disability insurance does relate to life insurance and is indeed deemed to do so by the Commonwealth Life Insurance Act 1945.

Will the Attorney-General respond to that point of view from LIFA?

The Hon. C.J. SUMNER: For the purposes of stamp duty, disability insurance has always been classified as general insurance.

The Hon. R.I. LUCAS: Given the attitude of the Australian Democrats to the amendment, I will not prolong the debate. Basically, the Attorney-General is saying that, because the Stamp Duties Act has defined it to be classified as general insurance, therefore it will be general insurance. Certainly the argument from LIFA is that under the Commonwealth Life Insurance Act these sorts of policies relate to life insurance, and I would have thought that that was a very persuasive argument for the views put by LIFA and by the Liberal Party.

Suggested amendment negatived.

The Hon. R.I. LUCAS: My advice from Parliamentary Counsel is that the rest of my amendments to this clause are consequential to the first amendment. Therefore, I withdraw the remaining amendments.

Clause passed.

Clause 4—'Substitution of ss. 33 to 42.'

The Hon. R.I. LUCAS: I seek from the Attorney-General the Government's response and argument about this question of whether the annual licence fee, which is paid in February, is a fee that is paid in advance, or is it in arrears?

The Hon. C.J. SUMNER: I am advised that this is an irresolvable argument. There have been discussions with LIFA and the ICA over this matter but no agreement has been reached as to whether it is in fact the collection in advance or in arrears. The Government believes that it is collecting in arrears. The insurance companies say it is collecting in advance. Subsequently they have to collect from their policy holders. Also, it has something to do with the history of when stamp duty was first imposed and what has happened with subsequent increases. My advice is that the Government and industry have not been able to reach agreement on it.

The Hon. R.I. Lucas: The Government's position is that it is in arrears?

The Hon. C.J. SUMNER: There may be some confusion over the terminology, but the factual position is that the duty is collected by insurance companies first and then paid by the insurance companies to the Government. Apparently, LIFA say that they have to pay the duty first and subsequently collect it from their customers.

The Hon. R.I. LUCAS: Is that the same position as that of the Government?

The Hon. C.J. SUMNER: No, as far as the Government sees it, it is collected first by the insurance companies on the policies and then paid by the insurance companies to the Government. LIFA say that they have to pay first to the Government and then they collect subsequently from their customers.

The Hon. R.I. LUCAS: As I understand these terms, arrears and advance, the Government's position is that the annual licence fee is, in effect, in arrears, and LIFA's position is that it is a payment in advance.

The Hon. C.J. SUMNER: That is correct. I did not have a correct understanding of the way that the terminology was used. The honourable member is correct in saying that the Government's position has been referred to as collection in arrears and LIFA's position has been referred to as collection in advance. I think that the terminology could be reversed, depending on which way one looks at it. For the sake of clarity, that is the way in which it has been used in the correspondence.

The Hon. R.I. LUCAS: Having now resolved the Government's and LIFA's position, what is the position of the Insurance Council of Australia? Does it agree with the Government or with the Life Insurance Federation of Australia?

The Hon. C.J. SUMNER: I am not sure that I can answer that question, except to say that the Insurance Council of Australia and the Government seem to have retreated from having the argument because they seem to think that it can be resolved. They have decided to move to the monthly collection system, which, of course, minimises the problems that would otherwise exist.

Clause passed.

Remaining clauses (5 to 7) and title passed.

Bill read a third time and passed.

APPROPRIATION BILL

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Issue and application of money.'

The Hon. K.T. GRIFFIN: I should like to ask the Attorney-General a couple of questions on the areas relating to his lines, which will not require the presence of officers. First, they relate to the companies and securities scheme. Can the Attorney-General bring us up to date on the current status of the legislation? When is it likely to be available? Will it be exposed publicly? Before the Estimates Committee, the Attorney-General indicated that he hoped that would be the case. I take this opportunity to ask whether he can give us an update on its current status.

The Hon. C.J. SUMNER: The position is that the timetable is still to have this legislation passed through Federal Parliament and all State Parliaments and proclaimed by the end of the year so that the scheme can operate from 1 January 1991. I received some notification a couple of days ago as to the exact timetable of receipt of the Bills, but I do not have that with me at present.

However, at the last Ministerial Council meeting, I impressed the importance of having the Bills available so that they could be provided to Opposition and other Parties in the respective Parliaments as soon as possible. We are doing all that we possibly can to get the Bills to the honourable member, and I will ensure that that is done as soon as possible. I requested that it be done and, as soon as they become available, I will provide them to the honourable member.

I suspect that the exposure period will be the period only while it is before the Parliament, except that, on the substantive law, there will be copies of the Commonwealth Bills with changes to the substantive law—the Companies Code. They will obviously be made available to the honourable member before the State Bill, because the Commonwealth Bill and the changes to the substantive law will be before the Commonwealth Parliament before the complementary legislation is introduced into the South Australian Parliament. Therefore, it will be available publicly.

There are no substantive changes to the law in the Federal Bill. The Federal Bill has been amended to remove the sections to which the States objected and which purported to give the Commonwealth the power to pass the legislation unilaterally. Those offending sections, from the States' point of view, such as the bills of exchange power and the telecommunications power, have been removed.

The Bill in its substance, as I recollect, will not be greatly different from the Corporations Act which passed through the Federal Parliament previously, part of which was held to be unconstitutional by the High Court. Basically, it will be that Bill, but redrafted to take away the constitutionally offensive provisions. That will be available as soon as the Bill is introduced into the Parliament. When the honourable member is briefed, I can get him briefed on the changes; but that is the position. It will be available when it is introduced into the Federal Parliament. It envisages an introduction to Federal Parliament very shortly. I assure the honourable member that I will give him the legislation as soon as I can.

The Hon. K.T. GRIFFIN: I refer to one other area in relation to the companies and securities scheme, namely, the inter-governmental agreement. Can the Attorney-General indicate whether that has been drafted, what stage it has reached, and whether it is proposed to expose that for at least some public comment before it is executed by the respective Governments?

The Hon. C.J. SUMNER: Two inter-governmental agreements must be referred to here. One is what I might call the Alice Springs accord, that is, the heads of agreement which was entered into in Alice Springs at the end of June. To some extent, they have been modified by subsequent

discussions, but my recollection is that it will be possible to make those heads of agreement available to the honourable member at the time the Bill is made available.

The Hon. K.T. Griffin: The Western Australian Attorney-General has tabled them.

The Hon. C.J. SUMNER: Okay. As I understood it, they were to be confidential until they were finalised. While I had referred to the agreement in general terms in speeches and in my answer to the honourable member's questions in the Council, and although I had outlined what was in them in general terms, my impression was that it was not to be made public at this stage. If it has been tabled in the Western Australian Parliament, that is the end of that.

I should say that the Alice Springs accord was slightly amended in some of its clauses. It will be made available for the honourable member. The final agreement can be made available at the same time as the Bill. That is the inter-governmental agreement type 1.

There is a second inter-governmental agreement, which will be in the form of a formal agreement similar to the one that currently has been entered into for the cooperative scheme. That will have to be a more formal document, obviously prepared and drafted correctly, because it will be signed by the participating Governments. That has not been drafted because of the attention being given to getting the legislation ready. I think it has been agreed that that formal agreement should be attached to Federal legislation, but it probably will not be prepared in time to be attached to the legislation when it is introduced and passed through the Federal Parliament. It will have to be done subsequently.

I agree that that is not entirely satisfactory, but the imperatives of getting this scheme going by 1 January have meant an enormous amount of work over the last six weeks. Our Solicitor-General, Mr Doyle QC, has been participating in providing advice to the steering committee on the legislation, and I know from what he has told me and the amount of time he has spent at it that it has been quite a time-consuming undertaking. That has meant that the formal agreement has not yet been drafted. If they have been able to get onto it, fine, but it is anticipated that it may not be able to be attached as a schedule to legislation until next year.

The Hon. K.T. GRIFFIN: Could I now turn to building societies. The Attorney-General in the Estimates Committee said that he expected that the new building society legislation would be introduced in the near future. I presume that one of the reasons for the delay might be the suggestions, at least at Federal level, that some Federal prudential standards should be imposed in relation to building societies. I wonder, first of all, if the Attorney-General can give some indication whether or not that is the reason for the delay.

Secondly, can he give some indication whether or not the Government has given any consideration to support or otherwise for national prudential standards for building societies, having regard to the fact that there seem to be no difficulties with the building societies in South Australia, and that the level of surveillance here as well as the satisfactory nature of the building societies legislation so far in this State has not created any particular difficulty? A concern which has been expressed to me—and one which I must say I tend to share—is that if the national prudential standards are administered, monitored and enforced at a Federal level, and if there is anything wrong with a particular building society, it will be the State Government that ultimately has to bail out, or support or take other action in relation to that building society.

I do not expect that is going to happen here but, theoretically, if you have the Federal authorities administering the national prudential standards, the States will have no continuing monitoring responsibility in respect of that, yet ultimately they will be the ones expected to pick up the ultimate responsibility if something goes wrong.

The Hon. C.J. SUMNER: This could become a long discussion, because it is an area that is obviously being considered at the present time, both in South Australia and nationally, and by the Ministerial Council or by Federal/State Ministers with responsibility for this area. I cannot say when the building societies legislation will be introduced, but I can get that information and provide it to the honourable member. It may be that we will have to introduce and proceed with it in any event, because getting these other schemes patched up usually takes some time. I will provide as much information as to the timetable on that Bill as I can by letter.

The other issue in relation to the future of the regulation of building societies is much more complex. The first thing I can say is that the regulation of non-bank financial institutions is on the agenda for the special Premiers Conference in Brisbane next week. The South Australian Government has not yet determined a final position in relation to the matter, and we will listen to the debate at that conference.

I have a personal view, which does not necessarily represent the Government's view at this stage, namely, that in a situation where there is a national regulator for companies and securities, where the Commonwealth regulates banks and insurance companies, where increasingly building societies and credit unions are operating across State borders, where it is important that there be a competitive level playing field in relation to all these financial institutions and where the Australian nation has to be seen more as one integrated economic unit, these non-bank financial institutions should be regulated by the Federal Government, that the Federal Government has constitutional power to legislate for them and that it should do it.

That is not at this stage a view that is necesarily supported by the State Government or by the Federal Government. Whether that position will change as a result of this discussion on Federal-State relations, I do not know. I think we have reached the stage in Australia at present where we need uniform national regulation of these areas. The reasons I have outlined are reasons of principle. There is now also a practical reason: with the abolition of the Corporate Affairs Commissions in each State, particularly in South Australia, the level of expertise available to regulate non-bank financial institutions will be less than it was when there was a Corporate Affairs Commission that incorporated both the Federal Cooperative Scheme legislation and State functions.

In other words, there was an economy of scale, if you like, in that the regulators of building societies could refer to the expertise in the legal department and investigation sections of the Corporate Affairs Commission if there was any problem. Assuming that the ASC is finally up and running and takes most of these people, that expertise will be lost and we will be left—and this decision has been taken—with a business office, probably as part of the Attorney-General's Department, which will be left to regulate building societies, credit unions, cooperatives, business names, etc.

We will have to ensure that that is adequately staffed to do the regulation. Clearly, it is not as efficient as having it done under the auspices of the Corporate Affairs Commission, as we had previously, with all the resources available to it such as lawyers, accountants and investigators. Taking the two matters of principle and practicality together, my view is that we have probably reached the stage where there

should be Federal regulation of non-bank financial institutions.

If that does not occur, the next proposition is for some kind of cooperative scheme which gets to uniformity of the law and leaves the individual States to run the bureaucracies for regulation. That, of course, would involve the proposition for national liquidity support and there would be national prudential standards. No agreement has been reached on that, either.

The third category of regulation will be individual States legislating uniformly and basically keeping the structure they have at present, but with the legislation (including prudential standards) being basically the same in each State. The problem with that is that it usually comes apart because, if individual States are not bound together by a cooperative scheme, they go off and make their own amendments.

Nothing in this area has been resolved; that is the simple position. The point that the honourable member makes about the problem of national liquidity support perhaps dragging down South Australia—because we might be involved in a national scheme, we might have good prudential standards and others may not, and therefore we might be involved in providing liquidity support for building societies and others in other States that are not run properly—is a point which must be considered.

However, we would not go into a national liquidity support system unless there was some very similar legislation and the same prudential standards available. Obviously, we would not want to be in a situation where Farrow, which really was not a building society, was picked up under this legislation. South Australia has been lucky. I think that our legislation has not enabled building societies to parade as building societies when they no longer were. Our building societies have kept their niche in the market, and that is probably a decision they have to make to survive in a deregulated environment, although, as the honourable member knows, by amendments to the legislation we have allowed them to broaden their activities to some extent, although not to the extent of becoming a Farrow.

If national legislation is established, it will be roughly along the lines of that which has existed in South Australia. Building societies will be restricted to being building societies, basically, and will not be just any other financial institution. Frankly, if they are, there is no point in having them and they might as well be banks or anything else. I am not sure that we can say necessarily whether, even having that sort of regulation, with their niche in the market, building societies will survive as discrete financial institutions. That will depend. That is their best chance of surviving and not being gobbled up by banks and the like, and it is probably desirable that they do survive, but survive in finding that niche in the market which they have been good at in the past and which, one hopes, they will continue to be good at, that is, providing money for home finance.

The same applies to credit unions and trustee companies. I spoke to the trustee companies' annual council meeting on Monday night, and the Hon. Mr Davis was also present. I made the same point to them: they cannot be all things to all people, in my view. I suppose that it is their decision, but they also must find their niche in the market. There is something in the community's perception, at least, attached to the name 'trustee company', and they ought to try to ensure that they are trustee companies and provide the security which people expect from trustee companies—they, of course, having had their own problems in Victoria with the TEA and Burns Philp collapses in the past few years.

That is our position. No final decision has been made and, obviously, anything that happens will need to obtain the imprimatur of the South Australian Parliament.

The Hon. K.T. GRIFFIN: Will the Attorney-General bring us up to date on the question of public funding of elections, an issue that was raised briefly during the Estimates Committees? At that stage, he said that he was considering the matter, which was a fairly bland response.

Will he indicate whether he is doing anything more than just thinking about it and whether there is any positive proposal for it in light of the ALP convention in June or July of this year which advocated that that should be implemented before the next State election? It is an issue about which I am concerned. Is the Attorney able to indicate the current status of his thinking on that issue?

The Hon. C.J. SUMNER: I do not think that I can take the matter much further than I did during the Estimates Committee. The Government is still considering the matter. We have not made a final decision whether we will move in that direction. If the honourable member and the Opposition are keen about it, obiously that will be a factor that would influence the Government in making its decision.

If the Opposition is prepared to indicate support for the proposal, it would probably make its passage much easier, but I cannot take it any further. At the appropriate time, a decision will be announced, but I cannot say whether it will be positive or negative. The matter is under consideration.

The Hon. R.I. LUCAS: It has been the case in recent years that I and some other members—I am not sure about this year—in the interests of cooperation in this Chamber and expediting the passage of the Appropriation Bill, have spoken during the second reading speech. I spoke last Thursday, and I indicated a whole series of questions that I had of the Minister of Education. I appreciate that the Attorney-General and the other two Ministers in the Chamber cannot answer the questions directly, but what has occurred in the past has been a cooperative arrangement whereby the responses are generally provided prior to the passage of the Appropriation Bill. I would inquire of the Attorney-General what has occurred, if anything, in relation to the series of questions that I put to the Minister in relation to the education portfolio? If there has been no progress, is the Attorney-General or any other Minister prepared to give any form of undertaking in relation to getting responses to those questions?

The Hon. C.J. SUMNER: I can accommodate the honourable member to some extent. First, the question was asked by the Hon. Mr Lucas relating to membership of various committees. The list of names requested by the Hon. Mr Lucas covers 46 typewritten pages and, because of the length of this document, I will provide the list directly to the honourable member.

I point out that many of these committees are not officially constituted as such; they are formed to undertake specific tasks and are then disbanded. Changes in membership occur depending on the need for specific expertise. Of the committees identified, 39 are no longer operational. It should be noted that to compile and collate the information required to provide this list of names took approximately 8½ person days at an estimated cost of $2 000.

One other question was on school restructuring and, as it is in tabular form, I seek leave to incorporate it in *Hansard* without my reading it.

Leave granted.

SCHOOL RESTRUCTURING

Area School	Comment
Brown's Well	Years 11 and 12 students are bussed to Loxton High. Years 8-10 trial using technology and distance education.
East Murray	In 1991 to be linked to Loxton High using technology and distance education. This will be an extension of the Loxton-Brown's Well arrangement for Years 8-10.
Tintinara	Review and community consultation is being conducted during 1990.
Minlaton Primary and High	To be amalgamated into an R-12 school on the high school site. Principal has been appointed. All on one site from 1992.
Rural Schools	
Reviewed and either closed or to be closed at the end of 1990: Appila, Gulnare, Murray Town, Mount Hill, Wanilla, Comaum.	
Reviewed and not to be closed: Caltowie, Wharminda, Yacka.	
Adelaide Area	
Thebarton High	As previously announced is being restructured into a senior college (that is, for Years 11 and 12 and in particular for adults). In 1991 Years 10-12 only; position of Principal has been advertised.
Croydon Primary and Junior Primary	Amalgamated to form Croydon Primary (R-7) from the beginning of 1990.
Plympton High	No review has been conducted.
Southern Area	
Rapid Bay and Delamere Rural	As from 1 January 1990 amalgamated to form the Rapid Bay Primary School.
Blackwood Primary and Junior Primary	Junior Primary has been relocated onto the primary site.
Forbes Primary and Junior Primary	Currently undertaking some facilities work to enable the consolidation of the two administrations.
Northern Area	
Elizabeth Vale Primary and Junior Primary	Review during 1990 as to possible amalgamation.
Elizabeth West Primary and Junior Primary	1990 review as to future structure.

Salisbury West post-compulsory project: Each of the schools, Paralowie R-12, Salisbury High and Parafield Gardens High now has a Principal 'A'. These Principals with Northern Area office personnel and in the context of the multi-disciplinary approach to human service delivery in the Salisbury area are developing a plan for the management of the projected secondary growth in that area.

The Ten High Schools in the North Eastern Project

That project began early in 1990 and has reached the stage where community comment is being sought on the proposals.

PES AND SAS SUBJECTS

The following country schools do not offer eight PES and eight SAS subjects at the Year 12 level in 1990:
Allendale East Area School
Ardrossan Area School
Andamooka Area School
Cambrai Area School
Coober Pedy Area School
Cowell Area School
Cummins Area School
East Murray Area School
Eudunda Area School
Hawker Area School
Jamestown High School
Karcultaby Area School
Karoonda Area School
Lameroo Regional Community School
Lucindale Area School

PES AND SAS SUBJECTS

Meningie Area School
Miltaburra Area School
Moonta Area School
Orroroo Area School
Port Broughton Area School
Quorn Area School
Snowtown Area School
Streaky Bay Area School
Swan Reach Area School
Tarcoola Area School
Tumby Bay Area School
Yankalilla Area School

The Hon. C.J. SUMNER: The next question related to class sizes and the answer is as follows: I understand that the Australian Teachers Union, formerly known as the Australian Teachers Federation, collects a range of statistical information from a sample of schools on a regular basis and that one of the areas that it collects information about is individual class sizes. The Education Department has chosen not to collect information on individual class sizes since the introduction of the curriculum guarantee agreement on average maximum class sizes. The actual size of classes is a matter for local school decision in keeping with the curriculum guarantee agreement, and it is therefore no longer necessary to measure individual class sizes.

I have another answer here headed '67 positions' about which I do not have any great knowledge. The answer is as follows: None of the 67 positions identified as surplus now exist.

The current status of officers who formerly held the 67 positions identified as surplus in the back-to-school initiative of 1986-87 is set out in a table titled '1986-87 Budget Strategy—67 Surplus Positions' which has been provided to the honourable member.

The Hon. R.I. LUCAS: I thank the Attorney-General for the answers to those questions. I also indicate that the Attorney-General talked about having something incorporated in *Hansard* in relation to restructuring, which was the subject of my first question. I take it that the Attorney-General does not have the responses with him at the moment, but could he indicate that he will have his officers pursue the following matters with the Minister of Education. I asked questions in relation to a list of focus schools and centres of excellence, for example. Also, I asked a question in relation to the number of country schools that were unable to offer eight publicly examined subjects.

The Hon. C.J. SUMNER: It is in the list: school restructuring, PES and SAS subjects, class sizes and 67 positions have all been incorporated in *Hansard.*

The Hon. R.I. LUCAS: I thank the Attorney-General for that. On my quick perusal, that leaves two questions; one was to the Minister of Employment and Further Education on the subject of unmet demand for TAFE courses and subjects and, running quickly through the information that the Attorney-General has again read out and has incorporated in *Hansard*, I cannot find any reference to my second question on the subject of focus schools of excellence or hub schools. Again, I thank the Attorney-General, his officers and the Minister of Education for their cooperation in answering all the other questions. In relation to those two questions on which I do not think I have received a response—I do not want to hold up the passage of the Bill—would the Attorney-General be prepared to give some indication about following up those matters and providing a response in due course?

The Hon. C.J. SUMNER: I will refer those matters to the responsible Ministers and try to bring back replies.

The Hon. L.H. DAVIS: I indicated to the Attorney-General and in the second reading debate on the budget

that I have a number of questions relating to the affairs of the South Australian Timber Corporation in particular, and the Attorney-General has been kind enough, I understand, to provide an officer to assist in our Committee discussions. The first question that I would like to ask the Attorney-General is in relation to the Greymouth plywood mill. I understand that tenders are in the process of being called for the plywood mill. Will the Attorney-General bring the Council up to date on the position? The publicly announced position is that the Greymouth plywood mill is to be sold off, having been purchased by the South Australian Government, through SATCO, in December 1986. What is the present status of the plywood mill. When will the Government expect to have a decision on the tendering for that mill?

The Hon. C.J. SUMNER: The tenders close on 26 October (tomorrow), and SATCO will try to resolve the matter as soon as possible thereafter.

The Hon. L.H. DAVIS: I place the following two questions on notice. Will the Attorney provide the export details from IPL (New Zealand) to Australia for 1988-89 and 1989-90? Will the Attorney advise of the status of trading of the Greymouth plywood mill for the almost four months of this current financial year?

The Hon. C.J. SUMNER: Yes.

The Hon. L.H. DAVIS: Has there been any material change to the position at the Greymouth plywood mill since the SATCO annual report of 1989-90? In other words, has there been any marked change in trading conditions at the mill since the end of the 1989-90 financial year?

The Hon. C.J. SUMNER: The results have been affected to some extent by the market downturn, but I am advised that in the circumstances it has not been too bad.

The Hon. L.H. DAVIS: Given that deterioration and the fact that the Greymouth plywood mill will be difficult to sell in these difficult economic circumstances, does the Attorney-General believe that the $10 million provision for loss currently in the IPL (New Zealand) accounts will be adequate?

The Hon. C.J. SUMNER: This matter is dealt with in the SATCO report which was tabled a few days ago, wherein it is stated:

> In these circumstances the corporation board is of the view that the provision of $10 million for future losses on investments is adequate.

The Hon. L.H. DAVIS: I was aware of that. The point I was making was that that was the report for the year ending 30 June 1990. Is that still the current view?

The Hon. C.J. SUMNER: I am advised that it is the current view of the board.

The Hon. L.H. DAVIS: This financial year the Williamstown mill has been sold to CSR Softwoods for a total of $1.5 million. What did that $1.5 million take into account?

The Hon. C.J. SUMNER: The operating assets of the company—land, buildings, motor vehicles and mobile plant.

The Hon. L.H. DAVIS: I take it that that took into account the mill which was purchased by SATCO for Williamstown in May 1987 at a cost of $680 000?

The Hon. C.J. SUMNER: Yes.

The Hon. L.H. DAVIS: It also took into account the new kiln that had been purchased?

The Hon. C.J. SUMNER: Yes.

The Hon. L.H. DAVIS: What was the cost of that kiln?

The Hon. C.J. SUMNER: I am advised that it cost in the vicinity of $NZ510 000.

The Hon. L.H. DAVIS: Was the kiln ever delivered to Williamstown?

The Hon. C.J. SUMNER: It was delivered to CSR Softwoods at Wingfield about six weeks ago.

The Hon. L.H. DAVIS: I place the following question on notice. Will the Attorney-General provide details of the other assets that passed to CSR Softwoods and their book value at the time of the acquisition of the Shepherdson and Mewett operations by CSR Softwoods?

The Hon. C.J. SUMNER: I am not sure that that information can be provided. The sale has been made. It is possible that the purchasing company is entitled to some confidentiality in this respect. What was sold has been announced in general terms. I am not sure that we can be more specific.

The Hon. L.H. DAVIS: I am not interested in the attitude of the purchasing company. CSR Softwoods would be very highly regarded for its ability to squeeze a very good deal. I am interested in protecting the interests of the South Australian taxpayer. I think that information should be provided, and I ask the Attorney-General to provide it, as I said, on notice. We have already talked about two major items—the kiln and the mill—which are facts publicly known and commented on in the Auditor-General's Report. They are part of the acquisition of assets. I see no reason why the balance of assets cannot also be made available publicly.

The Hon. C.J. SUMNER: I will not get into an argument about it. I will refer the question to the Minister and see what happens.

The Hon. L.H. DAVIS: I turn now to the South Australian Timber Corporation's interest in scrimber. The introductory remarks at page iii of the Auditor-General's Report state:

> Full commercial production of scrimber has been delayed due to technical difficulties encountered during the commissioning of the plant. At 30 June 1990 the corporation's investment in the project stood at $28.1 million which included $5.8 million capitalised interest.
>
> Over the last few years audit has expressed concern that unless the corporation could significantly increase its revenue from investments, losses would continue to accumulate. In this regard, based on existing business activities, the financial results of the corporation depend on the success of the scrimber project.

The following comment is made on page 5 of the recently tabled 1989-90 SATCO annual report:

> The corporation board has fixed an upper limit of $50 million to complete this project, of which $25 million will be contributed by the corporation. Since the last report, estimated outlays have increased by $5.8 million ($44.2 million to $50 million) as a result of price movements, re-work costs in some areas of the plant and prolonged commissioning costs.

As I have already mentioned, the Auditor-General's Report states that the corporation's investment in the project stood at $28.1 million including $5.8 million capitalised interest. We know that the capitalised interest will disappear in the future because the debt owing from SATCO, which it had been unable to meet, has been converted to equity and so no longer will appear in the accounts for 1990-91. In real cost terms, it is true to say that as at 30 June 1990, the SATCO contribution to the project was $28.1 million which must surely mean that the project, in looking at the amount of money involved and the interest forgone on the use of that money, is in excess of the $50 million upper limit which SATCO claims to have set on the project.

The Hon. C.J. SUMNER: The corporation had contributed $22.358 million to the scrimber project from 30 June 1990. In addition, it has capitalised interest to $5.785 million over the development period, bringing the carrying value of this investment to $28.143 million, as disclosed in the balance sheet on 30 June. The estimated cost of this project, apparently attributed to a member of the Opposition (presumably the Hon. Mr Davis) quoted in a recent article in the *Advertiser*, suggests that $56 million has been spent by the Government to date. This appears to be based upon an assumption that the State Government Insurance

Commission has also capitalised interest against its investment in scrimber, which I am informed is not the case.

Its recently published report includes the scrimber project at cost, namely $22.358 million. The costs of this project should not be confused with the investors' carrying value in their accounts. Clearly, future returns from the project will have to be judged against each party's investment level. However, comments upon the actual cost of development work and installed plant should be based upon each partner's contributed capital, namely, $44.716 million, at 30 June 1990. The estimated level of contributed capital is not expected to exceed $50 million.

The Hon. L.H. DAVIS: I thank the Attorney for that answer but I point out that that was the estimate back in June 1990. There was an expected start-up date of August or September 1990 at that point. We now have a start-up date of no earlier than November 1990, and I think the Attorney, even with his meagre knowledge of economics and accounting, would accept that salaries and wages are part of the capitalised costs of scrimber. With 55 to 60 people on the staff—and the Attorney may like to confirm that figure—at an average component of, say, $30 000 including on-costs, we are looking at a very significant figure, perhaps in the order of $2 million annually. A quarter's over-run adds an extra $500 000 to the total cost of the project. I ask the Attorney-General to confirm or deny the accuracy of my observation.

The Hon. C.J. SUMNER: The honourable member will have to speculate on that particular matter. I am advised that the $50 million capital expectation has not been exceeded.

The Hon. L.H. DAVIS: The Attorney-General is hedging, as all good lawyers do, but I am asking him to confirm the accuracy of my observation that, if the project is delayed by three or four months from the August start-up date, which was the date in place at 30 June when the $50 million estimate was made, then the salaries and wages continue to be aggregated into the capitalised cost of scrimber. In a three-month period, my judgment is that there is at least an additional $500 000 added to the project.

The Hon. C.J. SUMNER: Well, the honourable member is an economic and accounting genius and, of course, one would expect him to know what he is talking about. As I said, it is a matter of speculation. The honourable member can speculate if he likes on the ongoing—

The Hon. L.H. Davis: I don't want to speculate.

The Hon. C.J. SUMNER: You have speculated. Using your great depth of experience and genius in the area of accounting and economics you have speculated that there are ongoing costs which Scrimber has because there are people employed from the time the $50 million was announced as being the figure. The honourable member says that people are still employed by Scrimber and that is adding to the costs while they are employed there. Even I could work that out, and I did not need the honourable member's expertise on this occasion to enable me to come to that conclusion. The bottom line still is that the $50 million anticipated has not been exceeded.

The Hon. L.H. DAVIS: I thank the Attorney-General for eventually confirming the simple point that I was trying to make, that obviously the longer the delay, the more likely it is that—

The Hon. C.J. Sumner: You haven't had me confirm it.

The Hon. L.H. DAVIS: I just wanted the Attorney to confirm it for the public record. Is the Attorney in a position to advise the Council as to the expected start-up date for Scrimber? I am aware that the SATCO annual report, on page 5, states:

> Commissioning of the Scrimber plant was not completed during the year under review due to difficulties associated with computer-based process controls and the need to modify some engineering design aspects of the plant to achieve production of consistent quality material. However, significant progress was made during the year and beam production commenced in June 1990.
>
> Definition of operating parameters for the radio frequency generator and press operation is now well advanced and production of sufficient material to support a market launch of the product is expected to be completed by November 1990.

I think the Attorney-General will be well aware that we have been going to have an opening of the scrimber operation for every month of 1990. In fact, almost 12 months ago the Premier declared open the scrimber plant in Mount Gambier. The Hon. Terry Roberts and I were present for that operation, although it was noticeable that there was not one moving part, apart from the Premier's lips when he declared the scrimber plant open. Could the Attorney-General enlighten us as to when the scrimber plant will commence commercial production?

The Hon. C.J. SUMNER: I will refer that question to the relevant Minister.

The Hon. L.H. DAVIS: That suggests that there is not an imminent start. I was at the scrimber operation in Mount Gambier last month, where I had a courteous reception and a good opportunity to examine the operation. Obviously, the people who are in key positions in the South Australian Timber Corporation and the scrimber plant are not the same people who were responsible for the decision to enter into scrimber in December 1986. They are there to try to fulfil the goal of getting scrimber, first, into commercial production and, secondly, competitive in the market place. I accept that and publicly say it. I have consistently held that view. But my concern for the scrimber operation was heightened by my visit to the plant last month where, at every stage of the production process, clearly there were problems. Does the Attorney-General believe that the problems on the production line are close to resolution?

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

The Hon. L.H. DAVIS: The Minister's condour seems to have dried up fairly quickly, but I want to continue to raise matters on scrimber. I want to look at the initial decision to go into scrimber because it is relevant to the position that we have now reached.

The Hon. C.J. Sumner: You had a select committee on it.

The Hon. L.H. DAVIS: That was a long time ago, and nothing much has happened in the meantime.

The Hon. C.J. Sumner: It has not been restarted. You started once and investigated it. You know that I am not in a position to go into that.

The Hon. L.H. DAVIS: All right. I am quite happy to put questions on notice, then. I understand that the Attorney-General is not an expert in the timber industry.

The Hon. C.J. Sumner: You are very accommodating.

The Hon. L.H. DAVIS: You are too kind. When the pilot scrimber plant, which I understand cost about $100 000, was testing the scrimber operation, what procedures were undertaken? For example, was the raw material that was being fed into the pilot scrimber plant the same material as that which will be fed into the commercial scrimber plant during production? In other words, was it a highly controlled experiment in which green wood with a consistent

moisture content was fed into the plant—a situation which would not exist when seeking to produce 45 000 cubic metres per annum?

The point which I am trying to make, and which the officer would well understand, is that there are considerable variations in moisture content, depending on the time of the year, the region from which the timber came and the age of the timber. My concern is that the pilot plant may not necessarily have mimicked that situation. I am interested in getting a response to that question first. I am also interested to know whether there were any other variations in the various stages of the pilot plant and the commercial operation as we know it in the scrimming, the laying up, the gluing and the pressing.

Can the Minister, on notice, confirm what variations there were between the pilot plant testing and the commercial plant which, hopefully, is proceeding to production? My reason for asking this question is obvious. Presumably one does not go to commercial production until one is satisfied at the pilot plant stage that it will work. The question that has been asked in the timber industry is: how adequate was the pilot plant testing? I should like specific and detailed information on that point.

I put a further question on notice. When the scrimber operation was first proposed, the boast was that it would fully utilise the timber product, that it would take first thinnings and that it was an economic operation. For instance, paralam, a not dissimilar product by McMillan Bloedel, a north American firm, was using mature 40-year-old wood, whereas here we would be using 10 to 12-year-old thinnings to produce a reconstituted wood product competitive with hardwood—oregon—at a strength of F17.

Specifications were put out to forest owners within the last year or two, from my memory, inviting them to advise the Scrimber Corporation whether they would have raw material available for the scrimber process. However, the specifications set down for those forest owners were very tough. They certainly precluded first thinnings, and the specifications were consistent with much more mature wood of 15 years or even 18 to 20 years. What was the reason for saying publicly that scrimber was going to utilise first thinnings, yet asking the forest owners to provide for the scrimber process product which was quite different from what had been publicly stated?

A further question on notice relates to the original claims set down for scrimber. It was claimed that it could be competitive with steel and hardwoods, such as oregon, in certain market situations, particularly indoors, given that it was limited in its outdoor application because it was susceptible to expansion in wet conditions. It was claimed originally that scrimber had a strength rating of F17. Is the Scrimber Corporation satisfied that it can still achieve the original strength rating of F17 because, in my view, that is a key element in its ability to compete in the market place? If scrimber can achieve a strength rating of only F14, it will not be able to compete so easily with hardwood, which has an F17 rating for high quality oregon.

My next question on notice relates to marketing of scrimber. There is widespread evidence in the marketplace that merchants have become disenchanted with the stop-start marketing of scrimber. As the Attorney well knows, for instance, a warehouse was taken up in Sydney at Seven Hills in 1988-89 (it was largely vacant and was closed down recently), at an admitted cost of $215 000. There was a lot of marketing of scrimber, when in fact there was no product. I would like detailed information about the extent, nature and cost of marketing scrimber over the past two or three years. That again is something that can be taken on notice.

The Minister may be able to answer my next question. The Auditor-General, in his report of 1988-89, made public his very strong view that there should be rationalisation of the South Australian Timber Corporation and the Department of Woods and Forests. Has any progress been made with respect to that suggestion by the Auditor-General? Indeed, it was a matter of consideration by the Legislative Council select committee which inquired into the effectiveness and efficiency of the operations of the South Australian Timber Corporation, a committee chaired by the Hon. Terry Roberts, which reported to this Council in May 1989.

The Hon. C.J. SUMNER: That matter is still under consideration.

The Hon. L.H. DAVIS: Does the Attorney-General believe that the scrimber operation in Mount Gambier will begin commercial production in 1990?

The Hon. C.J. SUMNER: I am just the Attorney-General. I do not know anything about bits of wood being put into plants, or anything about timber at all, except that I get a tonne of firewood every now and again during the winter. No doubt the honourable member knows the answers to the number of the technical questions he has asked.

An honourable member interjecting:

The Hon. C.J. SUMNER: First of all, he sat on a select committee which took some considerable months, indeed years, to examine this matter. He has just informed the Committee that he was at the scrimber plant only a month ago where, presumably, he asked a number of these questions and received the information, anyhow. Finally, when the Estimates Committees were on, there were other people from SATCO here—people with greater technical knowledge than I—and I would have thought it be more appropriate for the honourable member to get his questions asked at the Estimates Committees when there would have been more people available to answer them other than the Attorney-General or Mr Curtis, who is the accountant. I would have thought that that would be a more efficient way of dealing with the matter. The honourable member has asked me the question previously, and I answered it or did not answer it, depending on one's point of view. I cannot take it any further.

The Hon. L.H. DAVIS: I understand what the Attorney-General is saying about the use of the Estimates Committees, but he should know that the Estimates Committee time for examination of the Minister of Forests was in fact rather shorter than had originally been allocated because there was an overrun of time. Also, a number of questions remained unanswered because there was not sufficient time. We have always tried to use this period, what little it is, in the Legislative Council to ask responsible questions. I would have thought it was a matter of some public interest that at least $50 million has so far been spent on a process which is yet to see the light of day.

The Hon. C.J. Sumner: I am saying that the people who can answer your questions are not here.

The Hon. L.H. DAVIS: I indicated to you on Tuesday that I was going to ask questions on this matter. It is traditionally the form, whether it has been in health or other matters, that that information is given. So it is not my fault that the officers are not here. I have not been grizzling about that until you raised the matter; I have been quite reasonable in my approach. Given that the Attorney-General does not know much about wood, apart from the fact that he gets a tonne of wood—although he has not told us what he does with it; he probably has a garage sale or, perhaps, a fire sale—I will quite happily continue to put questions on notice.

Were any guarantees given by the manufacturers of the scrimber equipment in relation to the quality of the product? Also what feedback did scrimber receive from the people making the machinery for the scrimber operation? As I have mentioned, I see that as critical. If it worked on a small scale without human correction, why is it proving so difficult to work under factory conditions on a larger scale? In other words, what is the difference between the pilot scrimber plant and this plant, which is now having enormous trouble getting off the ground? It is not a question, just an observation: quite clearly, in my view, there are severe problems with that scrimber operation in Mount Gambier, simply judging from the Attorney-General's inability or unwillingness even to provide a start-up date. Would the Attorney-General be in a position to advise whether the South Australian Timber Corporation takes advantage of a media monitoring service?

The Hon. C.J. SUMNER: From time to time they have used a monitoring service, but it is not on a permanent basis. They are probably well advised to use one, given the fact that the honourable member puts out a press release on SATCO almost every second day.

The Hon. L.H. DAVIS: Would the Minister be in a position to advise which media monitoring service SATCO uses?

The Hon. C.J. SUMNER: The Warburton Media Monitoring Service.

The Hon. L.H. DAVIS: Recently, in fact last month, the General Manager of Seymour Softwoods, leapt into prominence when he was quoted in the *Advertiser* as saying that scrimber was a 'goldmine' and that he was prepared to spend $2 million to $3 million to buy a franchise in the scrimber project. I would like to know (and again this question can be taken on notice) whether in fact scrimber franchises are up for grabs, because there was a reaction in the timber industry of bemusement—given that scrimber was not even in operation in South Australia and given that its main market would surely be in Victoria and New South Wales—that they were prepared to be seriously discussing the sale of a franchise to someone who had a very small company, and who was largely unknown in the timber industry for a fee of $2 million to $3 million. Does SATCO have a policy on selling franchises in scrimber in Australia as distinct from overseas?

The Hon. C.J. SUMNER: I will refer the question to my colleague, the Minister of Forests.

The Hon. L.H. DAVIS: The select committee on SATCO received a letter from Mr Curtis dated 9 March 1989, which stated:

> Based upon their own research, a major US timber producer has decided to invest in the scrimber process as they expect scrimber to capture a greater share of the US market than paralam.

That letter of 1½ years ago has been subsequently backed up by comments in this current financial year by the Minister of Forests (Hon. J.H.C. Klunder), who has talked about the benefits and licensing fees that will accumulate to this scrimber process from overseas. Will the Minister advise specifically of any further progress with the major US timber producer that had invested in the scrimber process—and that was a definite statement—and whether any other information is available about overseas interests or actual money that has been paid by overseas timber companies to participate in the scrimber process?

The Hon. C.J. SUMNER: Those negotiations are continuing.

Clause passed.

Remaining clauses (5 to 7), first and second schedules and title passed.

Bill read a third time and passed.

ADJOURNMENT

At 5.34 p.m. the Council adjourned until Tuesday 6 November at 2.15 p.m.