LEGISLATIVE COUNCIL

Wednesday 6 March 1991

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

QUESTIONS

VIDEOTAPING CHILDREN'S EVIDENCE

The Hon. K.T. GRIFFIN: I seek leave to make an explanation before asking the Attorney-General a question about the videotaping of children's evidence.

Leave granted.

The Hon. K.T. GRIFFIN: The newspaper report today of the police crackdown on incest and child abuse in the outer northern suburbs of Adelaide and of the charging of some 18 people so far does raise again the question of videotaping the evidence of child witnesses and the method by which children give evidence in court. Members will know that one of the advantages of videotaping evidence is that it reduces dramatically disputes over the evidence and shows the true demeanour of a witness. Experience in other States and overseas is that the presentation of video evidence increases the number of guilty pleas significantly with the consequential benefit to any potential child witness that that evidence does not then have to be given in court.

Several years ago the police were undertaking a pilot study of videotaping interrogations and were moving towards establishing facilities for videotaping interviews with child witnesses. Last year it was indicated that facilities for videotaping on a permanent basis were expected to be in place by about April this year. The question of children giving evidence in court is a more difficult issue. In some jurisdictions the child's evidence is given by video link, the child being in a room separate from the courtroom; and in others the evidence of the child is given in court but the child is shielded from the direct view of the defendant.

With the focus on so many alleged offenders having to be brought to court as a result of this police crackdown in the outer northern suburbs of Adelaide, it is appropriate to ascertain the current stage of videotaping statements and the means by which evidence is given by children. My questions are:

1. Do the police yet have adequate facilities for videotaping all interviews with children who potentially will be witnesses? If not, when will that occur?

2. Are statements from suspects now videotaped on a regular basis? If not, when will that occur?

3. What decisions, if any, have been taken by the Government as to the most appropriate means by which child witnesses can give evidence to the courts?

The Hon. C.J. SUMNER: I am not sure that all the honourable member's assertions in his explanation are correct. The amendments that have already been passed, I think to the Evidence Act, do allow videotaping of children and for that evidence to be brought forward at the committal stage of proceedings, but I do not think that videotaping of children has ever meant that there was then no need for the child to give evidence in court.

The Hon. K.T. Griffin: I wasn't suggesting that.

The Hon. C.J. SUMNER: That seemed to be implied in what you were saying.

The Hon. K.T. Griffin: I didn't say that at all.

The Hon. C.J. SUMNER: You said that the evidence would not have to be given in court.

The Hon. K.T. Griffin: I didn't say that.

The Hon. C.J. SUMNER: You did. Check your statement: 'evidence not given in court', were the words you used. I wrote them down.

The Hon. K.T. Griffin interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The honourable member can make a personal explanation, if he likes. He can re-read his statement, if he likes.

Members interjecting:

The PRESIDENT: Order! The honourable Attorney-General.

The Hon. C.J. SUMNER: In any event, if he is suggesting that videotaping of evidence means that the children do not have to give evidence in court, that is not the situation. It can release children from the need to give evidence in committal proceedings. It is a question of what use you make of the videotape of the child witness's interview. Certainly, the videotaping or audiotaping of children in the early stages of the investigative process can assist in getting a clear story, a matter which is still, I understand, with the Department for Family and Community Services. However, I can get an update on that proposal.

The other suggestion about facilitating the giving of evidence in court by young witnesses relates to a matter of considerable controversy. A number of proposals have been put forward, including the erecting of a screen in order to screen the child witness from the accused. The other proposal is to have a video link from a separate room into the court, again so that the child does not have direct contact with the accused. Some measures have been taken, for example, to try to separate the accused's witness room from that available to the victims, to try to structure the court so that when the child witness comes into the court he or she is not put in close proximity of the accused person, that is, by having to walk directly in front of that person.

I understand that those techniques are already being used by the courts. The central issue is whether some system should be adopted, such as I have mentioned, screens or a video link. To enable a video link, that would have to be done by legislation, and it may be that, to have a screen, that would have to be done by legislation. The courts and judges do not have a unanimous view on this topic. It is fair to say, and it is probably public knowledge, that the Chief Justice believes that there should be no artificial blocking of the accused person from the witness, no matter who that witness is. Other judges have expressed the view that a screen might be appropriate, but to date, so far as I understand it, no judge has actually adopted any of these techniques and, if they did, they might be the subject of challenge to the Full Supreme Court, and one does not know what the result of that might be.

If the Full Supreme Court found that those devices were not acceptable and that the accused was entitled to confront the complainant directly, the Parliament would have to consider legislation. At the moment, the Government is monitoring the situation. There are developments interstate. I believe there are a couple of pilot projects, one in the Australian Capital Territory and some other courts, where video links have been used. At this stage the Government is monitoring the effectiveness of those proposals and in due course will consider the matter further.

TANDANYA

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister for the Arts

and Cultural Heritage a question on the subject of Tandanya finances.

Leave granted.

The Hon. DIANA LAIDLAW: On 19 February the Minister advised this place that she had made it clear to the board of Tandanya 'that there are no additional grant funds available and that right from August last year Tandanya was to work within its budget; it was told that it could expect no further grants at all.' I am advised today, however, that last Thursday the Department for the Arts forwarded $80 000 to Tandanya. I am unsure whether the department earmarked this sum for a specific purpose—possibly for the payment of salaries or as a contribution towards unpaid accounts.

Apparently, at present Tandanya has accumulated $165 000 in unpaid accounts, with $41 000 owed to a publishing/printing company in Adelaide and a further $65 000 owed to SACON. I should add that, having spoken to the general manager of this publishing/printing company today to confirm the advice that I had been given, he informed me that with any other private sector business he would not have been as patient as he has been with Tandanya with respect to such a large sum of money owed for such a long period of time. I gained the impression, although he did not state it specifically, that his patience was wearing very thin and it was a matter of his being able to keep on his staff. Anyway, I ask the Minister:

1. What arrangements have been made to pay Tandanya's unpaid accounts?

2. What arrangements have been made to ensure that Tandanya meets its legal obligations to its employees for WorkCover and superannuation, as I am advised that since July last year Tandanya has not paid any premiums to WorkCover and has made no provision to meet its 3 per cent employees' contribution for superannuation?

3. Has the Minister yet received a report from the board outlining the accounting for the Edinburgh trip which she said in this place on 13 February would be completed within a week? If not, why not? Perhaps the next question is: if so, when does she intend to release that report?

The Hon. ANNE LEVY: Certainly, the financial situation at Tandanya is not a happy one. I am well aware of a large number of unpaid accounts. As I understand it it has taken the administrator, whom we have appointed to Tandanya with the agreement of the board, a considerable time to sort out just what are the unpaid accounts.

The Hon. L.H. Davis interjecting:

The Hon. ANNE LEVY: One may well ask.

The Hon. L.H. Davis: You are the Minister. Yes, Minister, one may well ask.

The Hon. G. Weatherill: He is doing it again.

The PRESIDENT: Order!

The Hon. ANNE LEVY: The administrator has taken considerable time to sort out just what is the current financial situation. In addition, he was requested by the board to determine speedily just what were the net costs of the Edinburgh trip, and considerable work has been done in that regard.

In relation to the sums that have been advanced to Tandanya, I stress that they are an advance only; they are not an additional grant. The advance payments have been made so that some of the more pressing accounts can be paid and so that salaries and wages can be paid to staff who are continuing to work there. It is very probable that further sums will need to be advanced in the near future.

The Hon. Diana Laidlaw: From this year's allocation of funds?

The Hon. G. Weatherill: Is that a supplementary question?

The PRESIDENT: Order! The honourable Minister.

The Hon. ANNE LEVY: I have made clear previously that Tandanya has already received its allocation for the current financial year, and there will be no extra grant for this financial year. However, we realise that there are accounts to be paid, and it would be unfair to those people to whom this money is owed if they had to wait until next financial year to be paid. It would also be unfair for the employees not to receive the remuneration that is their due before the next financial year.

In consequence, an advance has been made to enable payments to occur and it may well be that further advances will need to be made before the end of this financial year to enable these urgent payments to be made. The advances are very strictly for these purposes and are under the control of the administrator. Likewise, the administrator will attend to the legal obligations that Tandanya has with regard to all its finances and legal responsibilities.

I have received a draft of the net cost of the Edinburgh trip, but as I understand it a few questions still need to be sorted out. Furthermore, this report on the cost of that trip, of course, needs to go to the board of Tandanya, which will meet on Friday of this week. As I understand it, the board has been particularly concerned because no details of the finances of the Edinburgh trip were ever presented or approved by the board, either before the trip or as an aftermath of it. In consequence, I think the report on the net deficit resulting from the Edinburgh trip should go to the board for its consideration—particularly as it is not completely finalised as yet—before I make any details of it public. However, it has been prepared by the administrator, with the assistance of the staff at Tandanya.

The Hon. DIANA LAIDLAW: As a supplementary question, will the Minister confirm that the guidelines for the advances for either salaries and/or unpaid accounts will include an assurance that the private sector—small business—is a priority in terms of payments?

The Hon. Anne Levy: It is salaries first.

The Hon. DIANA LAIDLAW: It is salaries first and then unpaid accounts. Will the Minister ensure that the private sector is paid before the sums owed to Government are paid? In respect of advances, are they grants from next year's operating budget or loans and, if they are loans, what are the terms of those loans?

The Hon. ANNE LEVY: I can certainly confirm that they are advances on the grants which, I suppose, can be regarded as a non interest bearing loan—pick your terminology; it comes to the same thing. With regard to the payment of accounts and legal responsibilities, I have every faith that the administrator will carry out Tandanya's legal responsibilities and will organise the financial affairs of Tandanya as expeditiously and efficiently as possible. He has been working extremely hard with, I may say, the assistance of a large number of Tandanya staff towards straightening out the mess in the financial affairs, first discovering just what the situation is, which was not apparent from the financial records Tandanya had when he arrived there.

OPEN ACCESS COLLEGE

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister representing the Minister of Education a question on the subject of the open access college.

Leave granted.

The Hon. R.I. LUCAS: I refer to the continuing problems with the Education Department's open access college at Marden. Members might recall a decision was made to relocate the college, formerly the correspondence school, to new premises at Marden High School, corresponding with the start of this school year. Delays occurred in the installation of telephones and fax machines at the college, with the result that many students had no contact with their teachers, or had received no resource materials until well after the 1991 school term had started.

In fact, if complaints to my office are any guide, all is still not organised at the college. Only recently I have had reports, for example, of a year 11 student who has received no course material from the college in three key subjects, as of the fourth week of the school year. At the same time I have received a letter today claiming students in some areas had been assigned no teacher, and had received no school work or resources (such as pencils, paper and folders) until the fourth week of the school term, despite having paid the college's fee of $100 per student. The correspondent also points out that her child's school principal has still to introduce herself to inform parents of what is going on. The correspondent continues:

> The last straw is the total lack of regard being shown by the school's leaders towards the students and their families, particularly the remote and isolated—no information, phone calls not returned, chaotic conditions in the school, constant changes and administration procedures which do not allow for factors such as distance, mail runs, etc.
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> Staff appear to be totally demoralised because they cannot offer the kind of service they know families need and have come to expect.

Continued complaints of the type just outlined place serious question marks over the assertion by the Minister of Education that claims made by the Liberal Party about problems at the open access college were 'misleading' and most students had been able to get on with the learning. My questions to the Minister are:

1. Does the Minister concede that these students have been disadvantaged by delays of up to four weeks in receiving material and what action will he take to redress that disadvantage, especially in the case of year 12 students?

2. Why has the Minister not taken any action since this problem was first raised with him by way of a question in this Council on 20 February this year?

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

PROSTITUTION LAW

The Hon. I. GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General a question relating to prostitution law reform.

Leave granted.

The Hon. I. GILFILLAN: In the Operation Hydra National Crime Authority report, paragraph 6.19, entitled 'Review of the laws relating to prostitution', and paragraphs 6.20 and 6.21 state:

> 6.19 The NCA's investigation was not concerned with the morality of prostitution, nor was it ever envisaged that people would be charged with offences relating to prostitution as a result of Operation Hydra. In the course of the investigation it became clear that, in spite of often rigorous efforts by police to enforce the law, there was no real probability that prostitution could or would ever be eradicated. The situation, of course, is not unique to South Australia.
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> 6.20 The current situation in South Australia, where vice establishments operate relatively openly but under threat of arrest and prosecution, creates an environment where rumours of corruption of police and other public officials can flourish. It is evident from reading this report that such allegations, while easily made, are difficult to refute.
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> 6.21 The National Crime Authority therefore recommends that the operation of the criminal law in South Australia, as it applies to prostitution, be reviewed with reference to the law and practice in other States.

I note that, commendably, the Government has moved quickly to implement the first recommendation of the Hydra report—to establish a Director of Public Prosecutions in South Australia. I also understand that it is looking seriously at acting on the third recommendation which relates to the prohibition of listening devices. As the second recommendation relating to prostitution is a firm and significant recommendation of the Hydra report, I ask the Attorney-General: will he seek from the NCA the grounds upon which it made recommendations 6.19, 6.20 and 6.21; secondly, will he, as recommended by the NCA, seek specific changes to the criminal law in South Australia as it applies to prostitution; and, finally, does the Government intend to review the criminal law in South Australia as it applies to prostitution in light of the Hydra report?

The Hon. C.J. SUMNER: The recommendation relating to prostitution in the Hydra report states:

> The National Crime Authority therefore recommends that the operation of the criminal law in South Australia, as it applies to prostitution, be reviewed with reference to the law and practice in other States.

So, all the National Crime Authority is recommending is a review of the law; it is not indicating one way or the other what it believes that review should come up with. The Government announced yesterday in the Premier's ministerial statement that it 'proposes that a person eminently qualified in the criminal law should be commissioned as soon as possible to review and to report to Parliament through the Attorney-General on the operation of the laws of South Australia with respect to prostitution, with reference to the laws of interstate and comparative jurisdictions'. That is what the Government intends to do.

The Government is therefore implementing the specific recommendation of the NCA on prostitution laws: that is, to review those laws with reference to the laws and practice in other States. The NCA does not have any specific view as to how the law should be changed. Apart from the *status quo,* there are two other fairly obvious options. One option is to tighten the law to make it harder for the vice industry to operate. That is one option that could be taken: if there are difficulties in enforcement as there are notoriously in this area, one option is to tighten the law.

The Hon. I. Gilfillan: But they say that won't work.

The Hon. C.J. SUMNER: The report states:

> In spite of often rigorous efforts by police to enforce the law, there was no real probability that prostitution could or ever would be eradicated.

That is probably true; nevertheless, one option is to tighten up the law to make it harder for these establishments to operate. The other option is some kind of decriminalisation proposal. Any reform of the law in this area should have as its underlying theme the keeping out of South Australia people involved in organised crime or drug dealing.

I do not think that that is a simple position to arrive at. I do not think that decriminalisation of prostitution necessarily produces that result. As far as the Government is concerned, the law on prostitution will be reviewed. The Government has made that decision and that was what the NCA Hydra report recommended. So, the process will be that the person appointed by the Government, qualified in the criminal law, will review the laws and will produce a report that will be taken into account along with other material that is before members of Parliament in determining whether or not there should be changes to this law.

It is noted that the Queensland Criminal Justice Commission has just released an issues paper on the topic. I note that there have been changes to the law on prostitution in Victoria where there is some decriminalisation, but again there is criticism of the way the law is functioning in that State. There is not an immediately obvious solution to the difficulties outlined, but decriminalisation is obviously one.

I do not intend to seek any more information on this topic from the NCA. It is not specifically recommending any one way to go in this area, but it is recommending a review. In the final analysis it is a political question that has to be resolved by the Parliament, by members of Parliament, on this topic at least exercising a free vote. So, anything further that the NCA has to offer on the topic I do not think would be necessary for our deliberations, and, frankly, I think it has other things to get on with.

LOCAL GOVERNMENT BOUNDARIES

The Hon. J.C. IRWIN: I seek leave to make a brief explanation before asking the Minister for Local Government Relations a question about ward boundary reviews.

Leave granted.

The Hon. J.C. IRWIN: My question arises from the recent publicity about a number of Adelaide city councillors seeking to have the May elections put off until their ward boundaries have been reviewed. The Local Government Act allows for a periodic review of all council ward boundaries every seven years. The first review must be conducted within such a period as the Minister may determine, and the timetable for the conduct of reviews was established in 1985. The review process is carried out by the council itself in conjunction with the Local Government Advisory Commission. From 1985 to 30 June 1990, 84 periodic reviews have been completed.

During 1989-90, 12 reviews were the subject of commission recommendations to the Minister, but eight of those were deferred because of amalgamation proposals. Some 35 reviews remain to be completed as part of the seven year timetable. Many councils have held periodic elections while awaiting ward boundary reviews. So, there is nothing new about the Adelaide City Council's position. Ward boundary reviews are clearly in the hands of councils, including the Adelaide City Council. The Local Government Advisory Commission process of helping councils to review ward boundaries has been clogged by major amalgamation proposals in the metropolitan area in recent years. My questions are:

1. Does the Minister expect all council ward boundary reviews to be completed by June 1992?

2. Will this review process be affected by the negotiations now occurring between local government and the Government, especially by the reduced funding for the bureau as from 1 July 1991?

The Hon. ANNE LEVY: With regard to the work of the Local Goverment Advisory Commission, I have received no comment from it or from the bureau where it is currently located. I would not in any way presume to anticipate any result of negotiation that is occurring currently between the State Government and local government. The Local Government Act Amendment Act of 1985 provided for a periodic review of all ward boundaries and, furthermore, the *Government Gazette* of 18 July 1985 published the timetable for the ward boundary reviews for each of the then existing 123 South Australian councils.

I am quite happy to make a copy of this document available to the honourable member from which he will see that the Adelaide City Council, back in 1985, was set down to have its ward boundary review in the period beginning 1 March 1991 and ending 28 February 1992. So, the ward boundary review, which the city council advertised after its meeting the other evening, was in fact completely in accord with the timetable that had been set back in 1985.

I point out to the Council that a number of councils in this State have at various times wanted to advance their ward boundary review so that they could accomplish fairer ward boundaries prior to a periodic election. That occurred prior to the 1989 elections and occurred with a number of councils last year so that, if they wished, they could have their ward boundaries revised before the periodic elections due in a couple of months time.

I received requests from quite a number of councils asking for permission to hold their review earlier than had been stated in the timetable that was published in the *Gazette* in 1985. In each case I was very happy to accede to that request, and the ward boundary reviews then proceeded. Of course, there have been some changes since this timetable was set up. Not only have some amalgamations occurred, so that the number of councils is slightly less now than it was in 1985, although not markedly so, but also a number of councils have taken the decision to abolish wards entirely and to have elections at large throughout the council area, usually adopting a proportional representation system of voting. The councils that have done that, as far as I am aware, are very happy that they made that change.

So, there will be some deletions to this list as published in 1985 partly because of amalgamation but more so because a number of councils have abolished wards altogether and obviously have no need for the review. Had the Adelaide City Council wished to have new ward boundaries in position prior to the elections that are due in a couple of months time, it could certainly have done that. Had it requested some time last year the bringing forward of its review, I would have been very happy to grant permission for that, as was the case with every other council that made such a request to me.

UNEMPLOYMENT

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Attorney-General, representing both the Treasurer and the Minister of Labour, a question about unemployment in South Australia.

Leave granted.

The Hon. L.H. DAVIS: The ANZ Banking Group has an employment advertisement series which measures the number of job advertisements in metropolitan daily newspapers in each State of Australia. In the case of South Australia, it measures the average number of weekly advertisements for employment placed in the *Advertiser*. On Monday of this week, the ANZ employment advertisement series for the month of February was released. It shows national figures and also contains a State by State breakdown, which is rarely published. I have had access to these figures and I wish to advise the Attorney-General of the sobering results of this most recent survey.

The ANZ employment advertisement series has become established as a key economic indicator, not only on employment levels but also for unemployment trends. The figures for South Australia reveal a dramatic fall in the number of advertisements for employment. In fact, there was a 46.1 per cent decline in the average number of advertisements placed in the *Advertiser* for the month of February 1991, as against February 1990. Put another way, there were

about half the number of job advertisements in February this year compared with last year. The trend over recent months reveals a deteriorating trend and the figures clearly indicate that unemployment will continue to rise in South Australia for at least the next six months.

After studying these figures and discussing them with a number of key people in the private sector, it seems reasonable to believe that unemployment in South Australia, which is currently about 9.3 per cent, will comfortably exceed 10 per cent and could quite likely reach 11 per cent in the coming months. This surging unemployment will clearly further cut consumer spending, which is already having a dramatic impact on retail sales, small businesses and also the housing industry.

My question to the Attorney is: has the Government been monitoring employment trends in South Australia and will the Minister confirm whether the Government expects a further significant deterioration in unemployment levels in South Australia in the coming months?

The Hon. C.J. SUMNER: The answer to the first question is 'Yes'. As to the second question, I will refer it to my colleague and bring back a reply.

ESTCOURT HOUSE

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister of Tourism a question about the Estcourt House development.

Leave granted.

The Hon. J.F. STEFANI: In May 1990 the Minister of Tourism launched a $26 million development known as the Estcourt House development, which encompassed the land at the beachfront site. Extensive feasibility studies and surveys were conducted and prepared by Tourism SA to evaluate the project's operating profit and return on investment, as well as an examination of the market demands and trends on occupancy rates, room rates and market share. Invitations from developers were invited nationally and tenders closed on or about 4 May 1990. My questions to the Minister are:

1. In view of the current economic recession, has Tourism SA amended its feasibility projections?
2. How many proposals have been received for this tender?
3. Has a decision been made by the Government about awarding the project to a successful tenderer?
4. When is work on the project likely to commence?

The Hon. BARBARA WIESE: As the honourable member quite rightly says, Tourism SA called for tenders for what we believed then and what we continue to believe now is an excellent tourism development opportunity for the Estcourt House site at Tennyson. It is important that we examine carefully the options that exist for that site, because it is the only sizeable piece of land left along the metropolitan coastal strip. Since there is little tourism related development along our metropolitan coastline, it does provide an opportunity for a tourism development to be considered.

With that in mind, Tourism SA called for tenders last year. It is already public knowledge that, when tenders closed last year, there were no conforming tenders. I might say that the call for tenders was a fairly specific document, and there had already been a supplementary development plan prepared that had passed the various approval phases. The economic climate in which we have been operating during these past 12 months or so probably had a contributing effect on the fact that there were no conforming tenders at that time.

However, two consortia came forward following the close of tenders with proposals of their own, which had a rather larger residential component and a smaller tourism component than envisaged by the original Tourism SA objective. Discussions have taken place with both of those proponents during the past few months on the ideas that they put forward. Those proposals and other options that may be open to the Government for this site are being examined and, once there has been a full examination of all the options available, an announcement will be made about the future of that Tennyson site.

COORONG GAME RESERVE

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Minister for Local Government Relations, representing the Minister for Environment and Planning, a question about the Coorong Game Reserve.

Leave granted.

The Hon. J.C. BURDETT: On 21 February 1991 I asked the Minister a question on this subject, as follows:

> When the Minister conducts the consultation that she has promised (and given an undertaking for), will that include consultation in the South-East of the State and close to the Coorong with groups such as trade unions, Labor Party sub-branches, recreational sporting groups and others?

Yesterday, I received an answer but the relevant part of it avoids the issue. The relevant part of the answer is:

> The Minister for Environment and Planning has had meetings with interested groups, including the Field and Game Association, and has discussed the Government's proposal for the future status of the Coorong Game Reserve and related issues, including duck hunting, and has sought their views on the issues.

The question that remains unanswered relates to groups in the South-East. That is not referred to in the answer, and I refer in particular to the Labor Party sub-branches and trade unions in that area. Therefore, I now ask: will the Minister answer the question and will she say whether or not groups in the South-East and adjacent to the Coorong, and in particular Labor Party sub-branches and trade unions in that area, either have been consulted or will be consulted? If so, will she indicate what the results of the consultation are?

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

WASTE MANAGEMENT COMMISSION

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister for Local Government Relations, representing the Minister for Environment and Planning, a question on Waste Management Commission policy.

Leave granted.

The Hon. PETER DUNN: It has come to my notice from several district councils on Eyre Peninsula that there is a proposed policy by the Waste Management Commission that they will have to cover their waste daily as opposed to what is happening at the moment, where many of them have slip trenches in which waste is burnt on a weekly basis. That is a very acceptable method of disposing of rubbish because of the vastness of the areas. The alternative is that the rubbish is burnt in backyard incinerators. I suggest that burning it in one lump in a couple of hours is a far better system than 100 people setting their own incinerators alight.

The Hon. Anne Levy interjecting:

The Hon. PETER DUNN: That is very true, but it is burnt much quicker and there is much less smoke. The suggested policy is for the segregation of that waste, and the implications are that that segregated waste will be brought back to the city for recycling. I am not sure whether the Waste Management Commission has thought of the costs of doing this: we had the recycling of paper, and that seems to have fallen over because of the cost. Has anyone thought of the cost of bringing back paper, plastic, cardboard or whatever from Ceduna or Port Lincoln to Adelaide for recycling? I am sure that there will not be any recycling plants in those areas. Furthermore, if that segregation is required, supervision of those dumps will be necessary on a daily basis, and that would incur enormous cost to those small councils. My questions are:

1. Has the commission looked at the cost of implementing this policy?

2. Are any concessions likely to be given to areas which are a long distance from the metropolitan area?

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

HYPERACTIVITY ASSOCIATION

The Hon. BERNICE PFITZNER: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Family and Community Services, a question about the Hyperactivity Association of South Australia.

Leave granted.

The Hon. BERNICE PFITZNER: The Hyperactivity Association of South Australia was formed approximately 15 years ago, and its aim has been to promote research, education and support for hyperactive children or children with attention deficit disorder.

In the area of research, the association and the Flinders Medical Centre have conducted a project on hyperactive children funded by the Children's Medical Research Foundation. In the area of education, the association has provided talks, courses and seminars to nurses, teachers and parents, and it has produced information booklets and journals for the community and members.

In the area of support, the association is unique, as it provides specialised knowledge on hyperactivity through a 24-hour counselling phone service. The people involved in the Hyperactivity Association are all volunteers, and all they request is approximately $10 000 for premises and a part-time clerical assistant.

A project officer from the Department for Family and Community Services has now recommended that this association can function as effectively without funding. This recommendation is incorrect as the association had to close as from 24 December 1990. The project officer has further recommended that similar services are available in other health units. This is not so, as I personally know that a unique service is provided comprehensively only by the Hyperactivity Association. My questions are:

1. For a dedicated self-help group of well-informed specialised volunteers, is $10 000 too much to ask?

2. Has the recommendation from the project officer to cease funding been definitely accepted by the Department for Family and Community Services, as the Hyperactivity Association has had no confirmation to date?

3. Having worked in this area, I know that the Hyperactivity Association is unique, so where do the parents take their problems now?

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

CITRUS INDUSTRY BILL

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Agriculture, a question about the Citrus Industry Bill.

Leave granted.

The Hon. M.J. ELLIOTT: There has been considerable discussion over a great period of time about a draft Citrus Bill, which initially received very little support around the traps, but I understand that there have now been several changes. People in the Riverland who have contacted me are very concerned that at this stage the Citrus Board is unwilling to do anything to address issues because it feels that it is only in transition because new legislation is pending. Riverland people in the citrus industry have asked me when the Bill is coming into the Parliament. Can the Minister give some commitment on the time frame for this measure?

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

Leave granted.

LIVING ARTS CENTRE

In reply to **Hon. DIANA LAIDLAW** (21 February).

The Hon. ANNE LEVY: Further to the information provided to the honourable member on 21 February 1991 concerning Living Arts Centre costs. I can now confirm that the budget of $7.5 million, at 1989 costs, plus escalation approved by Cabinet, is regarded by all involved as adequate. Tenders have been accepted for construction at at anticipated cost of $8.512 million on completion, and all the resident organisations, including the Jam Factory, have accepted the current design features and facilities.

There has never been any difficulty with the visual and performing arts component, although the Jam Factory's initial design based on estimates was found to be $835 000 over budget on the first tender call. That initial design was based on a maximised interpretation of the concept presented to Cabinet and the Public Works Standing Committee.

Subsequent adjustment to design has been mainly in the materials and finishes specified, with some reduction and efficiencies applied in the public spaces. Those changes, which fall within the usual 10 per cent tolerance of the asgreed brief, have been fully canvassed with the Jam Factory Board who agree with all aspects of these changes. I understand that many feel the current design is more practical than the initial design. The total reduction in area was 159 square metres which in no way impacts on the Jam Factory's function or viability.

The current design conforms in every way with the concepts and budget previously approved by Cabinet and the

Public Works Standing Committee and no further submissions are necessary.

As mentioned previously, tenders have been called, site work has commenced and there is no indication at this stage from the builders that the Centre will not be completed on schedule in December this year for use in the next Adelaide Festival of Arts in March 1992.

The Government has contained this project within an entirely adequate budget. The Living Arts Centre should be seen as an example of several arts groups working together with Government agencies concerned to produce a development of value, on time and within budget.

STA FUEL COSTS

In reply to **Hon. DIANA LAIDLAW** (14 February).

The Hon. ANNE LEVY: My colleague, the Minister of Transport, has advised that the State Transport Authority budgeted for an increase of 14 per cent above last financial year's cost due to a combination of anticipated fuel increases and increased fuel consumption associated with the introduction of services in Munno Para and Golden Grove, and the full year effect of improved services that commenced in the 1989-90 financial year.

The STA anticipated the fuel price increases and purchased supplies just prior to the significant increases associated with the invasion of Kuwait. Although higher costs have been incurred during the Gulf war when replenishing supplies, the STA is confident it will remain within budget unless, outside of its control, further adverse price fluctuations occur. Fare increases are not related to any one factor, but are reviewed in line with the overall cost of providing services and Government policy at the time.

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

Leave granted.

SOUTH AUSTRALIAN HOUSING TRUST POLICY

In reply to **Hon. J.F. STEFANI** (13 December).

The Hon. BARBARA WIESE: In response to the honourable member's questions, the Minister of Housing and Construction has advised:

1. The trust's general policy is to allocate its pensioner units (cottage flats) to persons in receipt of the age or invalid pension. However, some of the trust's older style cottage flats are much less popular with elderly people today, and they can be difficult to let. In this situation the Trust must consider various options, including allocation to non-aged single people, in order to avoid the accommodation remaining vacant for lengthy periods.

2. The Government supports the trust's actions which are intended to ensure the efficient and effective management of the public housing stock.

3. The trust is conscious of the potential problems that could occur between younger and older age groups (due to, for example, differences in life-styles, loud music, etc) in cottage flats. For this reason, any allocations of these units to non-aged singles, whether on a wait/turn or priority basis are made with great care and sensitivity and only if there are no suitable elderly applicants for the particular units. Generally, this process would involve some level of consultation with existing tenants before such allocations are made.

If Mr Stefani is prepared to provide the street address of the cottage flat group concerned, the Trust would be pleased to provide a more detailed report and in particular, whether any consideration has been given to allocating any of the units to non-aged singles.

WOOL QUOTAS

In reply to **Hon. M.J. ELLIOTT** (5 December).

The Hon. BARBARA WIESE: In response to the honourable member's questions, the Minister of Agriculture has provided the following advice.

1. The annual production of wool in each State can be obtained from Australian Bureau of Statistics or from the Australian Wool Corporation publications. The following table provides Australian Bureau of Statistics figures for short wool production (not including dead, fell mongered or skin wool) by states from 1980-81 to 1990-91 (forecast).

Shorn wool production by State (million kilograms greasy)

Year	NSW	Vic	Qld	SA	WA	Tas	Australia
1980-81	198.2	121.5	43.3	97.0	159.3	18.1	637.4
1981-82	216.3	125.1	56.9	98.4	144.1	19.8	660.6
1982-83	218.1	109.9	50.0	96.1	147.2	19.8	641.1
1983-84	230.6	119.7	62.8	101.5	137.5	20.1	672.2
1984-85	255.6	142.5	65.2	102.7	165.9	20.3	752.2
1985-86	258.8	140.8	63.1	104.7	171.1	23.0	761.5
1986-87	265.3	162.9	70.5	107.3	183.0	24.2	813.2
1987-88	285.1	162.9	75.1	114.2	184.2	21.2	842.7
1988-89	318.1	173.7	73.6	111.9	200.5	20.6	898.4
1989-90 (p)	377.5	198.5	85.1	123.3	230.0	25.5	1 039.6
1990-91 (f)	378.0	191.0	90.3	117.7	212.1	22.7	1 011.8

Source: Australian Bureau of Statistics
(p) preliminary figure
(f) DPIE forecast

2. South Australian woolgrowers will be disadvantaged if production quotas are based on the 12 month period from November 1989 to November 1990 period, because:

- poor seasonal conditions were experienced in 1990 by woolgrowers from the south-east of South Australia who contribute about 35 per cent of this State's wool production, and their sheep are shorn mainly during the September to December period; and
- flock build-up and hence wool production in recent years has been lower in South Australia relative to New South Wales, due to very favourable seasons in New South Wales and a run of poor seasons in parts of South Australia (particularly on Eyre Peninsula).

3. The Minister of Agriculture has raised the matter of inequities applying to South Australian woolgrowers as a result of the decision to use the 12 months to 2 November 1990 as the base for setting wool marketing quotas with the Federal Minister for Primary Industries and Energy. A letter has also been sent to Mr Kerin detailing the inequities and seeking a review of the proposed quota system to provide woolgrowers in each State with an allocation more closely related to the long-term wool production of that State.

4. The Department of Agriculture will be discussing the proposed wool quota system with the Tasmanian Department of Primary Industry, with a view to developing a unified stance on a ten year State-based quota system. Detailed suggestions on the mechanism for such a system will be developed by officers of the two departments. The Minister of Agriculture will continue to draw the attention of the Federal Minister for Primary Industries and Energy

to the inequities applying to South Australian woolgrowers resulting from the proposed quota system.

AGRICULTURAL TARIFFS

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

The Hon. BARBARA WIESE: In response to the honourable member's question I advise that as the Minister for Agriculture told Parliament on 14 November 1990 the real issue is not one of free trading or no free trading; it is fair trading. This Government argues that there should be a fair trading scenario, and has supported the decision that there should be a further inquiry into dumping procedures and how quickly antidumping provisions can be instigated. The Government also argues that the non-developed country tariff preference conferred on Brazil should be seriously reconsidered by the Federal Government because of its impact on domestic orange producers.

The Hon. C.J. SUMNER: I seek leave to have the following replies to questions inserted in *Hansard.*

Leave granted.

ETHNIC GRANTS

In reply to **Hon J.F. STEFANI** (19 February).

The Hon. C.J. SUMNER: The Minister of Ethnic Affairs has provided me with the following response to the honourable member's questions:

1. The Government has provided funds to assist in the development of Government to Government twinning arrangements. This has occurred for example with the Agreement on the Establishment of a Friendly Relationship between the State of South Australia and the Shandong Province of the People's Republic of China, and the Gamellaggio Arrangement with the Campania Region of Italy and twinnings with Penang and Himeji. If the Government decides at some time in the future to undertake similar twinning arrangements with another country, then consideration will be given to resources which should apply to those arrangements.
2. The Office of Multicultural and Ethnic Affairs.

1980 BUSHFIRE APPEAL

In reply to **Hon. J.F. STEFANI** (14 February).

The Hon. C.J. SUMNER: The Crown Solicitor recalls being contacted by telephone by an officer of the council in early January and being informed that the Stirling District Council and a newspaper had sought details of all payments made by the Lord Mayor's Bushfire Fund.

So far as the Crown Solicitor recollects he informed the officer:

1. That he does not advise the council and it might be sensible for it to seek its own advice.
2. So far as he was aware, there was no obligation upon the council to make this information public.
3. If the council would view this information as confidential, there was no reason not to continue to do so.
4. The select committee could require this information if it wished to do so.

The Crown Solicitor does not recall informing the officer that information should only be made available through the office of the Attorney-General. The Crown Solicitor cannot think of any reason why he would do so.

The Crown Solicitor has since sought information from the council on this matter. The council has forwarded certain information from which it appears that the advice respecting my office was given by the council's solicitors. It would appear that the council's solicitors suggested that my office should be involved because the Lord Mayor's Bushfire Relief Fund is a charitable trust, and the Attorney-General has an independent role as the protector of charitable trusts. Apart from the question of the involvement of the Attorney-General's office, it would seem that the council's solicitors agreed with the views the Crown Solicitor had expressed.

IMMIGRATION

In reply to **Hon. J.F. STEFANI** (4 December).

The Hon. C.J. SUMNER: The Minister of Ethnic Affairs has provided the following response to the honourable member's question.

1. The new Immigration Promotion Unit incorporates the staff from the Business Migration Unit and the State Promotion Advisory Unit. Inclusive of clerical support this represents five full-time personnel. Three additional staff, two transferred from other departments and one external are to be employed bringing the full complement to eight employees. In addition, one staff member is planned to be added to SAMEAC to assist in the settlement area.
2. $626 418 in total has been allocated for the 1990-91 budget.
3. The detailed plans and strategies of the unit relate to raising awareness of South Australia as a destination point for migrants, increasing awareness of the State for skilled and independent migration and strengthening our involvement in business migration in key Asian areas and parts of Western Europe (UK/Sweden). Interstate migration will also be pursued once information on skills needs is clearly established.
4. The plan for the first year is to increase migration by about half a percentage point from the 4.4 per cent share of 1989-90. Some improvement in the share of Australia's skilled migrant numbers has been detected but this may be offset by a fall in the total number of business migrants arriving in Australia (even if our State percentage share holds up) due to overseas perception of current economic conditions in Australia.
5. The original plan was to double migration intake over five years from when the unit is fully established. Of course, economic conditions will affect the efforts of the unit. At the present time migrant inflow and interstate inflow is up slightly and this trend is expected to continue.
6. The function of developing immigration and settlement strategies has not been transferred.

Immigration strategies have been developed across a number of Government departments. Recognising the contribution of immigration to economic development, it was felt that DITT should have carriage of immigration promotion. Settlement policies remain in SAMEAC but there is a need for cooperation between SAMEAC and DITT as well as a number of other departments to ensure the success of the project.

NATIONAL CRIME AUTHORITY

In reply to **Hon. K.T. GRIFFIN** (16 October).

The Hon. C.J. SUMNER: I refer the honourable member to the media release issued by the Hon. Mr Justice Phillips which read, in part, as follows:

The term of office of Mr Gerald Dempsey, the present Adelaide member of the authority, who has been on sick leave, expires on 18 February 1991. Mr Dempsey will not be reappointed. Mr Greg Cusack QC, the Sydney member of the authority who has administered the authority's current South Australian reference and associated inquiries during Mr Dempsey's sick leave will continue to do so until those matters are completed.

YOUTH OFFENDERS

In reply to **Hon. K.T. GRIFFIN** (14 February).

The Hon. C.J. SUMNER: The Minister of Transport has provided the following comments in response to the honourable member's question.

Some 18 months ago the resource requirements of the Transit Squad were reviewed. As a result the Transit Squad now comprises a Police Inspector, two Police Sergeants, four Senior Constables, 26 Special Constables, six Security Guards, and an Administrative Support Officer.

The squad is structured as a police subdivision with a Crime Intelligence Officer and the Administrative Support Officer previously mentioned which allows maximum patrol activity by the operational officers. Since January a Transit Squad patrol has been based at the State Transport Authority (STA) Elizabeth Depot.

At a cost of some $25 000 the STA produced a video for use by the Transit Squad when visiting schools as part of a successful schools liaison program.

During the past 12 months the 'Young Offenders In Danger' program has been attended by over 400 young offenders. They have been shown a video and lectured on the dangers of disobeying STA regulations. Only one such young person has reoffended.

Following the recent overseas scholarship awarded to the commissioned Officer in Charge, a number of other innovative policing techniques will be developed and introduced during the year.

The South Australian Police Department and the STA continue to monitor the achievements of the Transit Squad to ensure its effectiveness is maintained. At the present time the staffing and resources of the Transit Squad is considered to be at optimum levels.

A number of initiatives have been introduced recently to combat the graffiti problem. Additional staff have been engaged to clean and remove graffiti from trains, and a significant improvement has been evident. In order to maximise the effort, the STA will soon appoint a Project Manager who will be dedicated to the task of maintaining graffiti-free rollingstock and stations. The STA's objective is to operate a 'graffiti-free service'.

STATE BANK

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

That this Council urges the Government to widen and clarify the terms of reference of the royal commission to ensure proper public accountability of the Government and the bank and to do so in the following respects—

1. To transfer clauses A and E of the Auditor-General's terms of reference to the terms of reference of the royal commission.
2. To ensure that 'off balance sheet companies' of any member of State Bank Group and the transactions in which they were involved are properly investigated.
3. To ensure that paragraph 1 *(a)* of the royal commission's terms of reference allow the commission to adequately assess what proposals should have been made and the adequacy of any proposals actually made.
4. To ensure that paragraph 1 *(d)* extends to approvals under section 19 (7) of the State Bank of South Australia Act.
5. To ensure that the communications referred to in paragraphs 1 *(d)* and *(e)* include communications between the Government and the bank group.
6. To ensure that the Royal Commissioner can consider all of the Auditor-General's report under paragraph 3 and not only that which is relevant to the terms of reference.
7. To ensure that the responsibility of the officers of the bank and the bank group and that of the Treasurer can be examined under paragraph 3.

In moving this motion urging the Government to widen and clarify the terms of reference of the royal commission to ensure proper public accountability of the Government and the bank, I do not seek to trivialise the issue, as the Attorney-General sought to do yesterday in answer to my question relating to the power of both the Royal Commissioner and the Auditor-General to gain evidence outside South Australia.

The Attorney-General cannot deny that the representations made by the Liberal Leader (Dale Baker) and me on the terms of reference of the royal commission were reasoned and responsible. At all times we have sought to ensure that there is the widest possible inquiry, whilst being sensitive to the need not to prejudice the ongoing operations of the bank and, more particularly, those customers of the State Bank Group who are, in the whole of this debacle, blameless and, in a sense, innocent participants.

The object of my motion is to draw to the public's attention the very real concerns about the narrowness of the terms of reference of the royal commission and the breadth of the terms of reference of the Auditor-General's investigation. The first is in public except for those occasions when the Royal Commissioner's discretion is exercised in favour of hearings in private, and the other is in private. The royal commission is essentially into the question of communication: communication between the Government and the bank, or the State Bank Group.

On the other hand, the Auditor-General is to inquire into what caused the financial position of the bank; what were the processes which led to the State Bank Group engaging in operations resulting in the material losses; what were the procedures, policies and practices, and what conflicts of interests or breaches of duty or other unlawful, corrupt or improper activity which may have occurred.

The Royal Commissioner will sit in public, but has a right to sit in private. The Royal Commissioner is to receive the Auditor-General's report on certain matters being investigated by the Auditor-General and to consider that report, but only in so far as it relates to the terms of reference of the royal commission. The Liberal Opposition believes that the reasons why the greatest loss in Australia's banking history has occurred should be an issue explored in public and not in private. We must remember that there is a loss in the bank of at least $1 000 million; we must remember that the taxpayers of South Australia have made a capital contribution of $500 million, and an amount of almost another $500 million is available from State funds to be drawn down by the bank.

Contributions by the bank from its profits to the budget of South Australia are unlikely to occur in the foreseeable future, if at all. The taxpayers of South Australia will have to foot the ongoing cost of providing the financial support to the State Bank. The Government estimates this to be $100 million a year, but it is likely, on our calculation, to be more in the area of $200 million per year.

If the bank had been a publicly listed corporation, it would by now be in either receivership or liquidation. Shareholders, receivers, liquidators and others would have had recourse to the public company and its directors that are subject to the very extensive provisions of the Cooperative Companies and Securities Scheme and, now, the Corpora-

tions Law. There are no such rights for the taxpayers of South Australia who are, in effect, the shareholders in the State Bank of South Australia.

The directors of the bank are not subject to the extensive provisions of the Companies and Securities Scheme or to the Corporations Law, which apply to the responsibility of directors, because the State Bank is not a public corporation but a statutory body. It does not have shareholders as do public companies, but it has the distinct advantage that it is backed by the Government of South Australia, which can only gain its funds ultimately from the taxpayers of South Australia.

It is in this context, therefore, that the Opposition believes that, if the State Bank of South Australia is to enjoy privileged status as a State instrumentality backed by the taxpayers of South Australia, not subject to the general laws that apply to public corporation behaviour or to the accountability which that law brings, it must face up to close public scrutiny, both in the Parliament and through a royal commission, as to the way in which it exercises and has exercised its responsibilities.

The State Bank of South Australia is given a guarantee under the State Bank Act for all its liabilities, and it has recently been given an indemnity by the Treasurer—something that no public corporation enjoys. So, apart from the argument that public examination of why the losses occurred might result in a lack of public confidence in the bank or that an investigation might harm innocent customers of the bank, there is no argument that the bank ought to be subject to close public scrutiny. Regarding the argument that confidence in the bank will be undermined by an ongoing public inquiry, it is the view of the Opposition and others to whom we have talked that this will not occur. If there is any basis for a lack of public confidence in the State Bank, it has already been established, not by the Opposition's questioning but by the public disclosures by the bank and the Government and the fact that such massive losses have already been incurred.

As far as prejudice to the blameless customers of the State Bank Group is concerned, I have already indicated, both publicly and in the Liberal Party representation to the Attorney-General, that we believe that adequate protection can be given against publicity by the provisions of the Royal Commissions Act and the terms of reference. The very fact that the Government is moving to amend the Royal Commissions Act to apply the amendments that the Liberal Government inserted in 1980 to give the royal commission into prisons power to conduct hearings in private and otherwise maintain privacy is an indication that the Government acknowledges that this can be done adequately by the royal commission. There is considerable evidence and opinion available from royal commissions in other States that the discretion of the Royal Commissioner, with adequate powers granted under the relevant Royal Commissions Act, is the best way of dealing with this particular problem.

Before dealing with the terms of reference of both inquiries, it is fair to say that with the two inquiries, the Government has very largely covered all the propositions of the Opposition, although we have a very strong difference of opinion with respect to the matters that ought to be investigated by the royal commission. We are still of the view that rather than having two parallel inquiries it is preferable to combine the two, even to the point of making the Auditor-General one of the Royal Commissioners. However, it is obvious that that is not something on which we will be able to persuade the Government, which ultimately has the control of the way in which this inquiry or inquiries will be established.

It is also appropriate to say that in drafting our suggested terms of reference for a royal commission we did draw on the experience of Victoria and Western Australia, both of which have current royal commissions established within the past year. In Victoria the royal commission is into the Tricontinental group of companies, which were subsidiaries of the State Bank. There the royal commission is charged with investigating what matters and events have caused or contributed to the present financial position of the corporations in the Tricontinental group or to the financial losses suffered by the corporations in the Tricontinental group. That royal commission is also charged with determining whether any officer of any of the corporations has engaged in illegal, corrupt or improper activities or conduct or has acted in breach of any duty owed by that officer to any corporation in the Tricontinental group.

The advice of auditors, valuers or other advisers is also to be investigated. It is of interest to note that, notwithstanding that the State Bank of Victoria is still carrying on business, albeit as an arm of the Commonwealth Bank of Australia, the royal commission in Victoria is to inquire whether the affairs, activities and transactions of the corporations in the Tricontinental group were adequately or properly supervised, directed or controlled by employees or directors of the State Bank of Victoria. So, there is a precedent there for public examination of the way in which employees and directors of the State Bank of Victoria conducted the business.

It is my recollection, looking at the daily media, that officers or former officers of the State Bank of Victoria have already given evidence to the royal commission in Victoria, and that does not appear to have been prejudicial to the ongoing business of the State Bank of Victoria.

In Western Australia, the royal commission is extraordinarily wide and includes investigations as to whether there has been corruption, illegal conduct or improper conduct by any person or corporation in the affairs, investment decisions and business dealings of the Government of Western Australia or its agencies, instrumentalities and corporations, which include the Western Australian State Government Insurance Commission, a continuing business entity. In respect of the Western Australian royal commission, a number of ongoing businesses as well as businesses in receivership or liquidation are the subject of the very broad inquiry established in that State.

So, there are at least two precedents for royal commissions which inquire into operations, some of which are of an ongoing nature. I should say therefore that, in the light of those precedents, and the advice which the Liberal Party has received, we do not believe that a public examination of some of the issues which are presently the subject of the terms of reference of the Auditor-General would be prejudicial to the ongoing operations of the State Bank of South Australia. As far as Victoria is concerned a resolution of the Legislative Council seeking broadening of the terms of reference brought an undertaking from the Government that, if the royal commission did not have power to inquire into certain matters which were raised in the Legislative Council, the terms of reference would be broadened. In the context of that debate, the Government indicated in the Victorian Legislative Council that it was its view that the terms of reference were adequate to cover the additional matters raised by the Liberal Party in the Legislative Council but nevertheless indicated that, if those issues could not be inquired into by the royal commission, the terms of reference would be amended to enable that to occur.

I now turn to the terms of reference of the Royal Commission into the State Bank of South Australia and those

entities which comprise the State Bank group. As I have already indicated, the terms of reference of the royal commission are narrow and relate essentially to communication. The introduction to paragraph 1 is difficult to interpret. I think it means that the royal commission is to inquire into and report upon the relationship between the bank and the Government and, if that is correct, it sets the scene for the interpretation of the rest of the terms of reference, and I would submit to the Council that such an interpretation is very narrow.

Paragraph1 *(a)* allows the royal commission to inquire into and report upon the proposals made by the Treasurer pursuant to section 15 (4) of the State Bank of South Australia Act. As far as the Liberal Party can ascertain from questions to the Treasurer in another place, there were no such proposals, but it is important for the royal commission, in the light of the financial position of the State Bank, to reach a conclusion as to whether proposals should have been made and, if the royal commission reaches that conclusion, what sort of proposals should have been made.

Because the terms of reference of any royal commission will be construed strictly by the courts rather than generously, if the nature of the terms of reference is to be challenged in the courts, it seems to the Liberal Party that the matter to which I have referred will not in fact be the subject of scrutiny by the royal commission. Although the Government may argue that paragraph 1 *(e)* (2), which relates to inadequacies in the nature and extent of any communication covers this, I suggest that the proposals referred to in section 15 (4) of the State Bank Act do not fall within that category of communication.

Paragraph 1 *(c)* relates to the reporting arrangements which existed between the bank and the Government and the information given by the bank to the Government pursuant to those arrangements relating to the affairs of the bank and of the State Bank group. While paragraph 2 looks to the future in relation to the appropriate relationship and the appropriate reporting arrangements between the Government and the bank, it is possible that paragraph 1 *(c)* will limit the inquiry of the royal commission into the existing reporting arrangements, and what information was given by the bank pursuant to those arrangements, without looking at both other information which was provided otherwise than under those reporting arrangements, and what arrangements should have been in place, but were not. There can be a distinction between what should have been and what ought to be for the future.

With respect to paragraph 1 *(d)*, it is important to ensure that the approvals given by the Treasurer under section 19 (7) of the State Bank Act for the bank to acquire more than 10 per cent of the issued shares of a body corporate be identified and examined by the royal commission. It may be that paragraph 1 *(d)* could be broadly construed as covering that, but that approval may not necessarily be regarded as within that term of reference, and we want to ensure that it is. One has only to look at the number of corporations where the State Bank acquired more than 10 per cent of the issued shares to recognise that there is an extensive web of companies that would be subject to approvals under section 19 (7) of the State Bank Act, such as Beneficial Finance, Security Pacific, Oceanic Capital Corporation and United Building Society, two of which are in New Zealand and one of which is in New South Wales. Of course, there may be a number of others.

One of the lawyers who has looked at the terms of reference for the Liberal Party has suggested that paragraphs 1 *(d)* and 1 *(e)* could be construed as limiting the investigation by the royal commission to communication from the bank and the State Bank group to the Government. I would like to think that the use of the word 'between' rather than the word 'by' would be sufficient to ensure that the terms of reference extend to communications both ways and not just one way, and that is a matter which does need to be clarified.

Paragraph 3 of the terms of reference is of concern because, although the Royal Commissioner is to receive any report of the Auditor-General made pursuant to section 25 of the State Bank Act, he may consider that report only to the extent that it is 'relevant to the matters set out in these terms of reference'. Under paragraph 5 of the terms of reference, the Royal Commissioner may seek information 'including relevant documents and records at any time from the Auditor-General' prior to the receipt of the Auditor-General's report, but again relating only to matters falling within the terms of reference of the royal commission.

It is important to note that the Auditor-General under his terms of reference is required only to provide to the Royal Commissioner a copy of any report made by the Auditor-General under paragraphs A to D of his terms of reference. This excludes an issue which is of critical importance and that is whether there were any conflicts of interest or breaches of duty or unlawful, corrupt or improper activity, matters that properly ought to be considered by a royal commission rather than by an Auditor-General.

The difficulty with the Royal Commissioner receiving the report—and I hasten to say that I have no objection to him receiving it—is that he will in a sense be flying blind: he will not know what investigations the Auditor-General has undertaken, what evidence has been received, what submissions have been made to the Auditor-General or what witnesses have been questioned—it will all be done in private. It is not clear that the Royal Commissioner has the necessary authority to call the Auditor-General to give evidence or that the Auditor-General can make that evidence and information available. By limiting the consideration by the Royal Commissioner of the Auditor-General's Report to those matters which relate only to the Royal Commissioner's terms of reference, the Royal Commissioner is, in my view, unduly restricted. The Liberal Party is of the very strong view that the reference to only the terms of reference being the determinant as to what the Royal Commissioner may consider ought to be deleted.

The other point in relation to paragraph 3 is that although the Royal Commissioner may consider any report by the Auditor-General, the Royal Commissioner, having received the report of the Auditor-General and considered the part relevant to his terms of reference, only has to consider whether the board exercised proper supervision and control over the Chief Executive Officer of the bank; whether the board exercised proper supervision and control over the operations of the bank and the bank group; in relation to the matters the subject of the report of the Auditor-General, whether the bank properly discharged its functions and responsibilities under the Act; and whether the Act should be amended in each of those three areas.

It seems to me that there is potential conflict between paragraph C and the earlier part of paragraph 3, but if there is not and if it is limited to those parts of the report of the Auditor-General set out in the terms of reference, one could suppose that to be able to make the decisions whether or not there was adequate supervision and whether the board properly discharged its functions, it may be necessary for the Royal Commissioner to have a look at some of the bad and doubtful debts of the State Bank group, but that is by no means clear. It seems to me that paragraph 3 of the terms of reference of the royal commission narrows down

the matters that may be considered by the Royal Commissioner.

One has to ask why the issues relating to conflict of interest, which are of public importance, are not matters to be reported upon by the Auditor-General to the Royal Commissioner, remembering, of course, that the Auditor-General's terms of reference relate specifically to paragraphs A and D, being matters on which the Auditor-General may report to the Royal Commissioner.

I turn now to the terms of reference for the Auditor-General. I will not address the detail of the amendments to the State Bank of South Australia Act which have been introduced in the House of Assembly and which broaden the powers of the Auditor-General; that Bill will be a matter for comment at a later stage. There are some issues in relation to that matter which need to be addressed and which have not yet been addressed in the Bill.

While the Royal Commission will generally be public, the inquiries of the Auditor-General will be private. There will be no way of ascertaining whether or not the Auditor-General has investigated certain matters which fall within the Auditor-General's terms of reference and the extent of the investigations. Although the Auditor-General will present a report (and one hopes it will be a most extensive and comprehensive report), there is no guarantee that matters of public interest and importance will be fully addressed. That is not a vote of no confidence in the Auditor-General. To the contrary, it recognises a particular difficulty for the Auditor-General as well as for the public.

Paragraph A of the terms of reference is broad and goes to the heart of the issue. What matters and events caused the financial position of the bank and the State Bank group are of wide public interest and significance. There is no reason given by the Government why the off balance sheet activities of the State Bank group should not be the subject of public inquiry subject to the protection of innocent parties. There is no reason given as to why the royal commission should not inquire into the losses which occurred as a result of the group undertaking business with companies now in default. The investments in Equiticorp, Chase Corporation, Quintex, the National Safety Council, the Hooker Corporation, all of which are now in receivership or liquidation, ought to be explored publicly.

When a borrower goes into liquidation or is placed in receivership or is in default in its obligations with the bank it must surely forfeit the benefits of so-called 'client confidentiality'. They then become matters of public record: the client has breached the terms and conditions of its obligations under any security or contractual documents. Why should the reasons for these failures as well as the initial investments not be explored? Why should questions of relationship between Mr Marcus Clark with the State Bank and some of the borrowers like Equiticorp not be the subject of public inquiry? Why should it all be kept under wraps? It makes no sense at all for these matters not to be the subject of public inquiry. Even the non-performing off balance sheet investments of the bank could be the subject of public examination. More confidence will be restored in the bank by a public and open inquiry than by private investigations.

Of course, one must remember that off balance sheet companies are not referred to in the terms of reference because they are not subsidiaries within the meaning of the Corporations Law. I know that in the past few days the Attorney-General has indicated that they will be covered by definition of operations of the State Bank in the amendments to the State Bank Act and by the Auditor-General's inquiry. The fact is that, in my view and that of the Liberal Party, they ought to be the subject of inquiry by the Royal Commissioner, particularly in circumstances where there are defaults—

The Hon. C.J. Sumner: Subsidiaries are included under the royal commission.

The Hon. K.T. GRIFFIN: Subsidiaries are, but off balance sheet companies are not.

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: They are not. If one looks at the definition of 'subsidiary' in the Corporations Law, it is fairly clear that they are not incorporated in that definition. If the Attorney-General is able to produce some evidence—

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: They are not.

The PRESIDENT: Order!

The Hon. C.J. Sumner interjecting:

The PRESIDENT: Order! Members have the right to enter the debate in the normal course of events.

The Hon. K.T. GRIFFIN: But that is in the Auditor-General's inquiry and in amendments to the State Bank Act.

The Hon. C.J. Sumner interjecting:

The PRESIDENT: Order! The Hon. Mr Griffin.

The Hon. K.T. GRIFFIN: The Attorney-General will get his chance to reply later. There are many issues which involve procedures within the State Bank Group, relationships within the State Bank Group and relationships with borrowers, which appropriately are the subject of investigation by a royal commission rather than by a private Auditor-General's inquiry. One must also raise the question whether the Auditor-General has adequate resources to undertake the extensive inquiry which is required. No-one will really know unless the Auditor-General publicly indicates that he does require extensive additional resources to undertake his responsibility. His task is a massive one compared with that of the royal commission.

The royal commission is to report within 12 months. The Liberal Party supports that time period within which it is desirable that the royal commission should report, and it coincides with the representation we made to the Attorney-General on that subject. The Auditor-General is to report on major issues within six months. The Liberal Party agrees that all the inquiries ought to be dealt with expeditiously. We wonder, though, if it is realistic to expect the Auditor-General to present his report on so many complex matters within six months. If that period is not to be extended one would hope that the Auditor-General would indicate publicly that an extension of time is required.

There is one further issue relating to both inquiries which I addressed yesterday in questions to the Attorney-General. Although in the early part of his answers he sought to trivialise the question and play down the significance of it he did, in the end, indicate that there may need to be some attention given to the problem of taking evidence outside South Australia, within Australia and overseas. So far as the taking of evidence in Australia is concerned, I acknowledge that the amendments to the Royal Commissions Act are an attempt to come to grips with that sort of difficulty in relation to Australia.

It is probably correct that documents and papers of the State Bank outside South Australia can be examined by the Royal Commissioner and the Auditor-General wherever they may be. However, that does not address major areas of concern. Present employees may be required to give evidence under the terms of their contract with the State Bank Group. But, present employees can retire and become former employees. If they are outside Australia there is no way that the Attorney-General has yet indicated whereby they

can be compelled to give evidence or even to produce documents which might be in their power or possession.

Although there may be inter-governmental arrangements which the Attorney-General can develop through the Australian Government, he does not appear to have yet addressed that issue. And it is an issue because many of the loans (how many we cannot yet find out from the Treasurer) were written outside South Australia and particularly in New Zealand. My information is that there is something like $4 000 million of the bank's business in New Zealand—that is 20 per cent of the bank's business. Of course, there were acquisitions of corporations in New Zealand which subsequently became subsidiaries of the State Bank of South Australia.

Will the Auditor-General be in a similar position to the Royal Commissioner when seeking to take evidence outside South Australia, in Australia or overseas? The Royal Commissioner is a quasi-judicial tribunal. I doubt if the Auditor-General is given that status. It may be that the 1990 amendments to the Federal Evidence Act relating to the taking of evidence for proceedings in foreign courts could be utilised, but there may also be some inter-governmental arrangements which the Attorney-General can tap into.

We do not know the extent of the State Bank's business in New York, London, Singapore or Hong Kong, but it is important, if the Auditor-General's inquiry is to remain wide and not to be taken over by the royal commission, that the Auditor-General have power to investigate adequately the activities of the bank in other countries. So far it seems that there is an extensive loan portfolio outside South Australia and even outside Australia. It is all very well for the Attorney-General to seek to belittle that sort of proposition but it must be addressed as a matter of law, and in order to ensure that if there is evidence in these other places the Auditor-General or the Royal Commissioner can get their hands on it.

Therefore, I urge the Government to give attention as a matter of some urgency to the ways in which both the Royal Commissioner and the Auditor-General, if the need arises, are able to require witnesses to attend and give evidence and to produce documents relating to the overseas activities of the State Bank Group. Not only does this apply to existing documents of the bank and existing employees but it also applies to former employees, agents, contractors and those dealing with the bank where those dealing with the bank may be in default.

It is critical for the reputation of the bank and its reconstruction that ultimately when the inquiries are completed the community in South Australia can be assured that everything which ought to have been done has been done to get to the bottom of why the State Bank Group suffered huge losses and the taxpayers were required to foot the bill.

The Liberal party is concerned to see confidence in the bank restored but it will not happen by sweeping issues and evidence under the carpet. Clarification of the terms of reference of the royal commission, and amendments to it as suggested in my motion, will, in the view of the Liberal Party, be the best way of ensuring that there is proper accountability. I urge Council to support my motion and, if the Council does support it, I urge the Government to treat it seriously and to make the amendments to the terms of reference of the royal commission as we propose.

The Hon. M.J. ELLIOTT: I support the motion but move to amend it as follows:

Leave out paragraph 1 and insert new paragraph as follows:

1. To instruct the royal commission and to investigate matters referred to in sections A, C, D and E of the Auditor-General's terms of reference.

I have been on the public record since the State Bank's bad debt problem became public on that Sunday several weeks ago, calling for a full and open inquiry into the circumstances surrounding that shock announcement. I have not deviated and will not deviate from that line. The people of South Australia deserve to know what went wrong in the bank which led to their having to inject into it $1 billion, and potentially more on some of the reports that are now circulating.

While I have moved for a select committee to examine the State Bank issue, I made it clear when moving that motion that a royal commission would be supported by me so long as its terms of reference were acceptable. In this motion moved by the Hon. Mr Griffin, which I support but with a further amendment, I see two separate issues that need addressing. First, what is the financial position of this State? Secondly, how did we get into that position?

The Government has, by the terms of reference, managed to neatly confuse the two and guarantee that neither is adequately addressed. The size of the losses and the nature of the allegations that have been raised make it imperative that we have a full public inquiry into the State Bank. There is no difficulty in my mind with a two-part inquiry as proposed by the Government, but I strongly object to the split in responsibilities as currently allocated. I believe that the Auditor-General should have been given straight auditors' duties. With no disrespect to him, I feel that certain tasks allocated to him more properly should have been included in the royal commission. In particular, I believe that sections C and D of the Auditor-General's terms of reference should have been allocated to the royal commission.

Section C in the Auditor-General's terms of reference questions whether the operations, affairs and transactions of the bank and the bank group were adequately or properly supervised, directed and controlled. Those are issues that I think quite properly should be asked and answered in the public arena. Section D questions whether information and reports given by the Chief Executive Officer and other bank officers were timely, reliable, adequate and sufficient to allow the board to discharge its functions. Once again these are questions that I believe should have been on the public record.

As to section A—which the Hon. Mr Griffin had included within the terms of reference that he wanted for the royal commission—on the face of it I was not so concerned about that because I thought, in the first instance, that they were matters which were of a more specific financial nature.

However, we are instructing the royal commission to investigate such matters, and I see no reason why the purely financial aspects cannot be investigated by the Auditor-General, while questions raised beyond that would be further investigated by the Royal Commissioner, on his own volition, not having to depend on the Auditor-General to bring matters to his attention. However, anything that the Auditor-General finds and brings to the Royal Commissioner's attention would be welcomed. An additional term of reference that I had proposed was that:

> ... the commission should give consideration as ... to whether any officer of any part of the State Bank Group in relation to the affairs of or transactions engaged in by any of the State Bank Group has acted in breach of any duty owed by that officer to any of the State Bank Group or has engaged in illegal, corrupt or improper activities or conduct.

Essentially, this term of reference has been picked up in section E of the Auditor-General's terms of reference. Once again, if such matters are referred to the royal commission they will be properly addressed. They are questions that the public has a right to have answers to. Not surprisingly, the

Adelaide rumour mill has been particularly active of late. I have chosen not to repeat any of the rumours that have come to me about individuals. I have not raised them either in this Parliament or outside it, but the rumours are circulating in the business community and they must be put to rest. They can be put to rest only in a public forum.

The Government has argued that commercial confidentiality of State Bank customers must be protected. I accept that general proposition, but would argue that it is no reason for so many of the matters of concern to be referred to the Auditor-General and not to the royal commission. The royal commission has power to protect confidentiality under clause 9 of its terms of reference where it has the capacity to keep from the public gaze information which it feels should be protected. This need can be balanced against the public interest to know what went wrong and why.

The public interest will not be satisfied by an Auditor-General's inquiry conducted in private. The public will not know what issues have been raised nor how they have been dealt with. At the end of the day, rumours will persist and public doubt will remain. A further bonus from the changes I have proposed is that the Auditor-General will be in a position quickly to produce a detailed summary of the bank's financial position without being distracted by what I think to him are extraneous matters.

This leads me to the last and the major part of the motion that I moved, but I am not moving it as an amendment to this motion. It is relevant that I address at this stage the matter of an instruction to the Auditor-General, as follows:

> ... as a matter of urgency to examine and report on the potential debts and liabilities of Government institutions and statutory bodies, including, but not only, SGIC, WorkCover, SASFIT and also in relation to unfunded workers compensation obligations that the State has.

An article in this week's *Business Review Weekly* states:

> Like its Western Australian and Victorian counterparts before it, the South Australian Government (and taxpayers) are facing up to the morning after the decade before.

The Hon. K.T. Griffin: Maybe it's the decade we haven't had.

The Hon. M.J. ELLIOTT: Maybe it is. I am just waiting for that J curve to pick up. We must be somewhere near the bottom of it by now. The difference, however, is that, when they woke up, Western Australia and Victoria began looking around to find out exactly where they were; South Australia still has one eye closed. We have a Government and a State Bank that have acknowledged—I guess they had no choice—that they have a problem. The size of that problem is still not clear. They have owned up to $2.5 billion in non-accrual loans, but outside assessments put the figure much higher. Standard and Poors say it could be as high as $3.3 billion. Whilst at present we are facing a $1 billion debt, some estimates suggest it might reach $1.4 billion.

There are also rumours circulating about the viability of the State Government Insurance Commission which has many doubtful items in its investment portfolio and which is underwritten by taxpayers' money. I have raised concerns about SGIC previously in this place. One suggestion currently doing the rounds in business circles is that SGIC is technically insolvent, with potential liabilities exceeding its assets by up to $250 million.

The Hon. R.R. Roberts: You have made a conscious decision not to bring these matters out publicly, have you?

The Hon. M.J. ELLIOTT: Had the Government been willing to set up proper inquiries to begin with, there would be no necessity for this. The Hon. Mr Roberts might care to note that, from the moment the Government announced the royal commission into the State Bank, I have only asked one question in this Parliament about the State Bank, and that was in relation to the amendment of documents, something that needed to be raised. I have not raised a further thing about the State Bank in this place since that time. However, the State Government, on the other hand, has prevaricated about SGIC and the other instrumentalities and is not setting up proper studies. Until it does, I have no choice: it is my obligation to raise issues of concern.

Over the past three weeks media attention on SGIC has intensified, and just about every day last week the *Advertiser* ran stories, and none were sourced from me. Clearly, there is a great deal of concern. There is a high level of concern about the organisation and we have seen in recent days reports that SGIC is laying off 60 staff, and reports that it is selling off parts of its share portfolio. These are a reflection of some difficulties. I admit at this stage that it is speculation as to how grave the difficulties are, whether they are minor or whether they are great. If only this Government had taken note of the warnings it got about the State Bank 16 months ago, when it quite happily let the State Bank try to sue Ian Gilfillan when he raised what it called 'outrageous allegations'—all of which, I remind the Council, proved to be correct—we probably would not be in half the mess we are in now.

Once again the Government has been given fair warning about other institutions and, for the most part, it is going through the same routine as it did last time. Stories have ranged from detailing and questioning business dealings between SGIC and its Chairman to simply the putting out of rumours, which are currently doing the rounds of business lunches, on the public record.

WorkCover has already admitted to unfunded liabilities of $200 million. Those admissions were made before a select committee of this Parliament. The potential cost to the State could be considerably greater. It is worth noting that the State Government itself is a self-insurer, and I will return to that shortly. Several large investments held by the South Australian Superannuation Fund Investment Trust could develop into substantial losses. The fund has a particularly large exposure to the Interchase development. Interchase is the developer of the Brisbane Myer Centre and has the potential to leave the fund with the company which has as its only asset a retail centre currently worth half of its June 1988 valuation of $495 million. I do not intend to go through an extensive list of the concerns, because I have put many of them on the record in the past. I hope many of them will not need to be brought forward because the Government will eventually see commonsense.

Continuing speculation and rumour is bad for the State for two major reasons. First, the reputation of the State becomes increasingly tarnished in the eyes of potential and existing business associates and it is not only Government institutions that suffer but many private enterprises as well. The second reason is that, the longer we are in ignorance of the true financial status of the State, potentially the worse the problems are when they do become public. A complete and comprehensive audit of the financial viability of South Australia is vital to clear up the rumours and inform us of the State's financial position.

In conclusion, I repeat that there are two major and distinct tasks that need to be addressed by inquiries in South Australia. One, to accurately assess the financial position of the State, a role best carried out by the Auditor-General, and the other to discover the causes of the State Bank debacle and what role improper practices may have played in it. This was covered by the motion I was going to move, but instead I am seeking to amend the motion moved by the Hon. Mr Griffin and that will achieve the same end.

The motion seeks to amend the two inquiries to ensure that those two separate and distinct tasks are carried out. The current terms of reference will ensure that neither of those tasks is achieved. The Democrats support the motion.

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

STA CORPORATE PLAN 1990-94

The Hon. DIANA LAIDLAW: I move:

That the Legislative Council take note of the State Transport Authority Corporate Plan 1990-94.

On Monday this week the STA released its corporate plan for 1990-94. On behalf of the Liberal Party, I welcome the release of this document and the noble objectives outlined. I must say, however, that, based on the fate of recent reports assessing STA policies and practices, a great deal of good faith is now demanded by both observers and consumers of STA services if one is to believe that this latest plan is worth anything more than the paper on which it is written.

The media statement by STA General Manager, Mr Brown, accompanying the release of the plan, acknowledges that the plan incorporates initiatives arising from earlier reports assessing STA operations over the past four years—the Collins report 1987, the Fielding report 1988 and the STA's own business plan released in February last year.

This is an interesting development because, in relation to all these reports, successive Labor Ministers of Transport have repeatedly refused to endorse the comprehensive set of recommendations geared to revitalise STA's flagging fortunes. For instance, last September Transport Minister Blevins blithely stated that the Government had no expectations that the STA could or would meet the cost savings projections outlined in its business plan released a mere six months earlier. This extraordinary admission by the Minister ultimately responsible for STA's financial and operational performance followed the release of the Auditor-General's Report for the year ended 30 June 1990 which, in relation to the business plan, noted:

> It is difficult to conclude that the $24.1 million per annum savings target to be achieved by 1991-92 would be achieved.

The business plan proposed improvements in key performance indicators in the areas of service development, financial efficiency and labour efficiency. According to the Auditor-General, the Transport Minister endorsed the report. In reality, however, the Minister undermined the business plan that he was said to endorse by introducing free student travel and concessions for seniors; and, when questioned on this matter during the Estimates Committees last September, he even gloated on his role in undermining the STA's objectives.

So, with this background, what confidence are we to have in the STA's latest report—its corporate plan for 1990-94? I wish the STA all the best, notwithstanding the political constraints that I have outlined in terms of practices that have beset it in the past.

What status does the corporate plan have with members of the Bannon Government? Has it been prepared as an honest assessment by STA management of what is needed to revitalise its services, or is it a pragmatic plan developed on an understanding of what Minister Blevins can accommodate and will accept? I hope the motion that I move today will extract answers to these basic questions.

In the meantime, comments by a spokesman for Transport Minister Blevins in the *News* last night, 5 March, suggest that the Minister has not endorsed the objectives—albeit modest—outlined in the corporate plan. Without such support from the Minister it is reasonable to question whether the objectives can and will be realised. The spokesman is quoted as stating:

> The Minister would not comment on the specifics of what is only a broad policy document. It would be up to the authority to present the State Government with specific policy proposals.

This statement does not fill me—and I suspect it does not fill the authors of the STA corporate plan—with a great deal of confidence. I hope that the spokesman's statement is not an ominous sign that the corporate plan will enjoy the same fate as the Collins report, the Fielding report and the business plan, all of which have simply been filed.

In many respects the corporate plan recycles the concerns and issues addressed in all the aforementioned reports and repackages selected initiatives from the same reports. A cynic may say 'better late than never'. For my part, however, I find it rather disheartening that it has taken so long for STA management to embrace the same key reforms that were mooted some years ago as necessary to revitalise its services and to make such services more relevant to the community that the STA is set up to serve.

Certainly today the STA is of little relevance to the vast majority of South Australians, although as taxpayers all South Australians have a direct interest in the fact that the State Government proposes to allocate $130 million to STA operating costs this year, plus a further $33.964 million for concessional fare reimbursements.

As a member of the select committee on country rail services, I and other members have been interested to receive submissions from a number of people who have argued that, as country people, they are disappointed because it appears that the Federal Government does not find it acceptable to offer subsidies for travel for residents in country areas, whereas successive Governments of all persuasions in this State have seen subsidies as appropriate for public transport in the metropolitan area. That inconsistency is a cause of considerable alarm to a number of country people, and for good reason. While there is little direct relevance for most South Australians in the STA service, there is in terms of the costs of that service to South Australians as taxpayers.

In recent years consumers have been deserting the STA in droves. In the five years to 1989, the STA experienced a drop in patronage of 17 per cent. This decline was arrested last year only because the Government introduced its controversial 24-hour, seven-day a week free travel scheme for students. Today, less than 10 per cent of the South Australian community uses STA services.

I was interested to note in the corporate plan that there is no suggestion that the STA, which stands for 'State Transport Authority', should be renamed the MTA—the Metropolitan Transport Authority—because that is essentially where its duties, responsibilities and interests lie today and, perhaps, it would be a more honest approach to the conduct of its services. I wish to speak more specifically to this report in a moment, but at this stage I seek leave to continue my remarks later.

Leave granted; debate adjourned.

RAILWAY LINES DEMOLITION

The Hon. G. WEATHERILL: I move:

That the Legislative Council—

1. Urges the Federal Government to use all appropriate means to have the Australian National Railways Commission cease the demolition of rail lines in South Australia and to let no further demolition contracts until after the

Select Committee on Country Rail Services in South Australia tables its final report.

2. Requests the President to convey this resolution to the Prime Minister of Australia.

Motion carried.

STATE BANK: AUDITOR-GENERAL'S INQUIRY

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

1. That this Council requests that the Government—
   (a) amends the terms of reference of the Auditor-General's inquiry as announced on 4 March 1990 by deleting sections C and D;
   (b) amends the terms of reference of the Royal Commission announced on 4 March 1990 to include—
      (i) matters covered in sections C and D of the Auditor-General's inquiry;
      (ii) consideration as to whether any officer of any part of the State Bank Group in relation to the affairs of or transactions engaged in by any of the State Bank Group has acted in breach of any duty owed by that officer to any of the State Bank Group or has engaged in illegal, corrupt or improper activities or conduct;
   (c) instructs the Auditor-General as a matter of urgency to examine and report on the potential debts and liabilities of Government institutions and statutory bodies including, but not only, SGIC, WorkCover, SASFIT and in relation to unfunded workers compensation obligations.
2. That a message be sent to the House of Assembly transmitting this resolution and requesting its concurrence thereto.

I have already spoken to the intent of this motion when I spoke to the motion in the name of the Hon. K.T. Griffin. Therefore, I do not want to take the time of the Council reiterating what I said then, other than perhaps to point out the one major difference between this motion and that moved by the Hon. Mr Griffin. In clause 1 *(c)*, I request that an instruction be given to the Auditor-General to examine and report on the potential debts and liabilities of Government institutions and statutory bodies including, but not only, SGIC, WorkCover, and SASFIT and in relation to the unfunded workers compensation obligations of the Government.

I am mindful that when I spoke previously I did not talk about the size of the State Government's unfunded liabilities. I noted that the liabilities of WorkCover are in the region of $195 million at this stage, and I think that, quite simply, nobody knows the extent of the State Government's liabilities. However, it would be reasonable to expect that they could be in the region of $80 million. That is one matter that I did not refer to when I spoke previously. I urge the Council to support this motion.

The Hon. K.T. GRIFFIN: I move to amend the motion as follows:

Paragraph 1—Leave out subparagraphs *(a)* and *(b)*.

The Hon. Mr Elliott has moved an amendment to my earlier motion which, if carried, I indicate I will support to bring over to the royal commission paragraphs C and D of the Auditor-General's terms of reference. Therefore, in that context, in my view it is not necessary to retain subparagraphs *(a)* and *(b)* of the Hon. Mr Elliott's motion.

If my amendment is carried, it will then leave the motion as a request to the Government by the Council to instruct the Auditor-General, as a matter of urgency, to examine and report on the potential debts and liabilities of Government institutions and statutory bodies including, but not only, SGIC, WorkCover and SASFIT and in relation to unfunded workers compensation obligations, and that the message be transmitted to the House of Assembly for its concurrence. I indicate that if my amendment is carried the Liberal Party will support the amended motion.

Of course, the Auditor-General has an ongoing responsibility to audit the affairs of Government administrative units, institutions and agencies under the Public Finance and Audit Act. The audit does not occur only once a year, although in many instances it may. However, with some agencies, auditing is a continuing function. However, notwithstanding that, we accept that there is some concern about the blow out in the unfunded liability of WorkCover and the investments of the South Australian Superannuation Fund Investment Trust, and we note that only a few days ago the General Manager of SGIC indicated that that organisation will require a capital injection at some time in the future of something like $200 million.

We also note that SGIC has sold a portion of its holding in SA Brewing Holdings and has been liquidating some of its other assets. It is in that context and with the experience of the State Bank of South Australia that the Liberal Party is comfortable in supporting the amended motion for an instruction to the Auditor-General to examine and report on potential debts and liabilities, although it is most likely that the Auditor-General would already be considering those sorts of issues on an ongoing basis with various statutory bodies. So, it is in that context that I indicate that, if my amendment is accepted, the Liberal Party will support the amended motion of the Hon. Mr Elliott.

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

COASTAL DEVELOPMENT

Adjourned debate on motion of Hon. J.C. Irwin:

That the regulations under the Planning Act 1982, concerning coastal development and commission powers, made on 14 February 1991, and laid on the table of this Council on 19 February 1991, be disallowed.

(Continued from 20 February. Page 3053.)

The Hon. M.J. ELLIOTT: I have on notice an identical motion, so it should come as no surprise that I support this motion. In 1982 many planning control powers were handed over to councils. The South Australian Planning Commission retained an advisory role under the fifth schedule, whilst still deciding matters under the seventh schedule. These proposed amendments to the development control regulations aim to remove the advisory role of SAPC. I argue that the complete opposite should be happening: the State Government should for a variety of reasons be taking back many planning powers and should not be increasing local government autonomy in this area. I will outline 14 arguments against this transfer.

1. Local councils have an appalling track record in relation to fifth schedule advice from the SAPC. Something like 70 per cent of country land divisions recommended for refusal by the SAPC were subsequently approved by councils. In the future, no formal input from the SAPC will be required on proposals. There are some who would even put the counter-argument that the fact that councils were ignoring the recommendations of the SAPC means that that step in the process is redundant and should be removed.

The question could be put the other way around; perhaps if they are ignoring advice they are doing the wrong thing, and perhaps the council already has powers that are inappropriate. In any event, I think there should be a full and proper public debate about this matter before a handover.

The fact that 70 per cent of the advice is ignored means that either the SAPC or councils are horribly wrong.

2. One of the Government's own committees has admitted that councils are performing very badly on planning issues. In the *News* recently, the Director of the Agriculture Department said the pace of agricultural land subdivision was not in the State's best long term interests. It reported that a State Government rural lands alienation working party paper called for a change in attitude towards subdivision and suggested that development policies needed serious overhaul, or that councils did not follow their own planning guidelines. To vest more planning control in these bodies is irresponsible in the light of the observations of the State Government rural lands alienation working party.

3. Some councils are known to be particularly hostile towards watershed and hills face zone controls. I again have to use the word irresponsible to describe moves to put those councils in complete control of areas of State significance. Recently, when details of the long-awaited Mount Lofty Ranges review were leaked to Opposition Parties and the media, several councils were actively encouraging landowners to lodge development applications as quickly as possible before tighter controls or a moratorium on inappropriate development could be put in place.

4. The changes in planning powers will remove from the State Government its powers over development applications in certain categories under schedule 7, that is, the ability to veto controversial consent uses in the Adelaide Hills and other areas. Possible situations where the State Government will no longer have any control include the building of a single storey dwelling in the hills face zone where excessive amounts of excavation or tree felling and the location of buildings in obtrusive locations are proposed.

In watershed areas it means the State Government will have no power to veto the development of stock slaughter works and abattoirs, the excessive excavation or filling of land, commercial developments such as amusement parks, poultry batteries, dairies, kennels and stables and building developments near watercourses. In the River Murray flood zone it will mean a loss of power over the development of marinas, prescribed mines, intensive animal husbandry, such as piggeries and chicken batteries and canneries.

5. The Government is claiming that by off-loading the planning powers to councils, it will save the cost of three salaries, but there will be no cost savings to the community at large because the work will still have to be done, albeit at another tier of government. Local councils will have to engage planners or consultants to handle the work currently administered by the State. It could be said that the move will cost the community more in terms of future problems caused by the approval of inappropriate development and bad planning decisions. Probably in terms of the overall resources necessary, it will cost us more as well.

6. Divesting planning powers to a large number of councils from a central agency will create inefficiencies. As an example, the devolution of some planning powers to local government in 1982 resulted in major inefficiencies in preparing development plans and undertaking basic development control functions.

For instance, in the 1960s and 1970s one unit of five or six people dealt with the primary assessment of all land division applications in this State. Now at least 65 people deal with this activity in the metropolitan area alone. The handing over of planning controls to local government is also likely to cause delays in the approval process, and frustration for applicants. This will occur particularly in relation to prohibited development applications. Time will be wasted with councils considering developments which will be knocked back later by the Planning Commission under the powers it will retain.

7. It is the feeling of many planners, both from local government and the Planning Commission, that the quality of planning decisions will be adversely affected by the change in powers. They feel that many councils will not be able to afford the services of expert planners, either on staff or as consultants.

The significance of this is that the hills face zone, the watersheds, the Barossa, the Flinders Ranges, the River Murray and other areas have complex land management environmental protection and planning problems. These problems range from issues such as serious land degradation through soil erosion and tree clearance to building development on steep slopes of extreme fire hazard.

8. Councils are unlikely to have the resources to assemble a multi-disciplinary planning team to consider all of the issues related to land use. Many individual applications require input from specialists, such as a soil scientist or water pollution expert. Land capability data which has already been collated by the Government may be wasted, as councils may be unaware what information is held and have no obligation to attempt to access it.

9. Controls in many areas, such as the hills face zone, are relatively subjective. The decisions made by a disparate grouping of 12 local councils have the potential to be inconsistent, whereas centralised decision-makers can look beyond each council boundary and aim for uniformity of application of the controls. It seems to me to be logical that in areas of significance such as the hills face zone the State Government retain full control and ensure consistency of decision-making.

10. Some councils, such as East Torrens, have already voiced their opposition to the changes. East Torrens has passed a motion expressing its opposition and disapproval of the changes and calling for a coordinated and uniform policy approach to issues such as the hills face zone.

11. Many country councils do rely on the consultation reports provided to them, along with recommendations, by the SAPC. The smaller rural councils cannot afford to employ planners to consult private planning consultants and the extra work generated by the changes will add to the pressure already felt by many members of local government.

12. I believe the reasons behind the Department of Environment and Planning's promotion of the transfer of powers needs to be examined. A letter to the Chairperson of the Parliamentary Joint Committee on Subordinate Legislation from the Director-General of the department reveals that it believes its poor policy performance is due to an overcommitment of staff to development control. However, I can think of numerous reviews and reports, undertaken by private consultants for the department over the past 10 years, which have gone absolutely nowhere.

Even major studies such as the Mount Lofty Ranges review and the River Murray review of rural land policies have been largely unimplemented and ineffectual. To me that indicates greater internal problems in the perception of the whole role and direction of the department and its ability to carry out the role expected of it by the public than merely having staff concentrated in the wrong area.

13. The transfer effected by the amendments and related organisational changes pre-empt the planning review which has been running for some time and which is charged with examining, among many other things, the structure of planning approval in the State. I have heard from people involved in the review process that the announcement of the transferral of powers took them by surprise—they were not consulted in any way. The setting up of a hills regional

planning authority is establishing a structure which the planning review may find inappropriate.

14. My final concern is one which I have for many State Government actions, namely, that councils and conservation groups, which have obvious vested interests in where planning powers are held, were in no way consulted over these amendments. This flies in the face of pronouncements of the Government's commitment to community consultation, and its dictatorial nature of imposing a new responsibility and cost on local government without any negotiation, is abhorrent.

On the basis of the arguments I have outlined, I strongly support the motion that the regulations under the Planning Act 1982, concerning coastal development and commission powers, be disallowed.

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

ELECTRICITY TRUST OF SOUTH AUSTRALIA (ALTERNATIVE ENERGY) AMENDMENT BILL

The Hon. I. GILFILLAN obtained leave and introduced a Bill for an Act to amend the Electricity Trust of South Australia Act 1946. Read a first time.

The Hon. I. GILFILLAN: I move:

That this Bill be now read a second time.

It is, in simple terms, a measure to address a major problem of power generation in South Australia and Australia generally—the reliance on ever expanding amounts of fossil fuel which, on combustion, is polluting the atmosphere with greenhouse gases.

This Bill has, as its principal aim, the creation of an alternative energy development and energy conservation fund. This fund will provide active encouragement for research and development into genuine methods of providing consumers, of not only South Australia, but potentially of all other States, with access in the future to a wide-range of alternative energy sources not dependent on the use of non-renewable fossil fuels.

The passage of these amendments to the Electricity Trust of South Australia Act will place this State at the forefront of alternative energy research in Australia. The financial underplanning of the Bill is based on a percentage of the State Govenment levy of ETSA and will direct that money into a well-defined area of alternative research. For the consumer, the benefits will be considerable: access to other clear fuel substitutes; the implementation of genuine energy conservation measures; the opportunity to purchase energy efficient alternative energy devices; the provision of buy-back rates that are an incentive to an electricity producer, other than ETSA, from renewable sources and/or from cogeneration; and the knowledge that this State is forging ahead with research and development of alternative energies that will provide clean, efficient energy resources for all consumers well into the next century. In this respect, this Bill is truly landmark legislation in its implications, and I believe it goes beyond the confines of simple Party politics.

The nature and scope of the problems affecting the environment have gradually been recognised over recent years, beginning with local and regional pollution problems and coming to acknowledge the global consequences of our behaviour. The contribution of the energy sector to global environmental problems is linked primarily to the emission of CO_2 and other gases from the combustion of fossil fuels. Global warming, known as the greenhouse effect, is a consequence of the growing content of CO_2 and other gas emissions into our atmosphere, with incalculable effects on the climate and our conditions of life. The threatening climatic problems and those stemming from over exploitation of the world's natural resources and raw materials affect the entire globe. Ultimately they can only be truly resolved through a genuine, integrated global commitment on behalf of all States and nations. However, the beginning of that type of global strategy starts with legislation such as this.

Although responding to what is clearly a growing worldwide environmental crisis, this Bill is proactive, in that it seeks to find genuine alternatives to meeting community demands for energy, while at the same time, placing less emphasis on the continued use of non-renewable fossil fuels. It therefore actively seeks to decrease the threat to our environment posed through the growth of CO_2 emissions.

The Department of Mines and Energy recently produced a State Government Green Paper entitled 'Future Directions for the Energy Sector in South Australia'. This discussion paper, released in January this year, offered as its main thrust greater reliance on gas-fired power stations for the future.

True, gas is cleaner than coal, but it, too, is a non-renewable fossil fuel, and according to estimates from the Department of Mines and Energy the State's gas supplies are guaranteed only up till 1994. It is possible that a national gas grid from the North West Shelf could supply South Australia, although that too is not definite.

In 1990 the OECD named Australia as high on the list of offenders in CO_2 emissions on a *per capita* basis, a listing which jolted many in the environmental movement and sent a chilling message to all Governments, both State and Federal. Yet, the warning had come earlier when in 1985 the OECD listed Australia as the fourth most energy intense country out of 10, a measurement based on the consumption of megajoules per dollar of gross national product. The industrialised countries of the world have lead the assault on our environment, damaging it almost beyond repair. Unless we as a community start to deal effectively with this problem the legacy of this environmental act of vandalism will be passed to future generations, who will revile us for our incompetence, ignorance and stupidity in destroying the environmental balance of the planet.

The development of energy efficient and environmentally acceptable technologies must be undertaken, to a large extent, by the well developed industrialised States and countries. South Australia is such a State. These problems, however, cannot be resolved without economic growth, which is needed to satisfy the needs of developing countries for better living standards, to provide financial resources for restructuring the new investment for obtaining sustainable development. At the same time, there is a need to alter the nature of economic growth so that it is based upon a reduced consumption of resources and impact on the environment.

The extent to which these requirements can be united depends to a large degree on technological development of alternative energies. However, even at present it is possible to identify means both to save energy and to achieve more environmentally acceptable production that will prove advantageous to all South Australians. Sustainable development is incompatible with a globally uneven distribution of growth between industrialised and developing countries. In the latter, ecnomic and industrial development is a prerequisite for resolving the wide range of development problems, including population growth, general shortages of resources and erosion of the natural resources base characterising so many of these countries.

The United Nations World Commission on Environment and Development recommended in 1987 that industrialised countries halve their *per capita* energy consumption over the next 40 years. This report was followed in 1988 by that of the Inter-Governmental panel on Climate Change set up in collaboration with the World Meteorological Organisation and the United Nations Environmental Program. The 1988 conference of 'The Changing Atmosphere' was held in Toronto, Canada, with representatives from 48 nations, including Australia. The conference recommended the stabilisation of Global CO_2 emissions by the year 2000 at the latest and a 20 per cent reduction by 2005 as the international target. In the longer view, halving of CO_2 emissions was recommended.

The State Government's green paper on energy acknowledges these aims and last year the Bannon Government formally announced, as policy, the adoption of the Toronto recommendations. However, policy and reality are often quite diverse elements and the Government's own green paper states quite emphatically that it is highly unlikely that South Australia will be able to achieve the 20 per cent reduction target of CO_2 emissions by 2005.

Clearly, a new and alternative strategy is needed if we are to effect positive change. This Bill is the catalyst for that change because it does offer alternatives to the conventional reliance we have as a State on fossil fuel energy. Although modest in its initial stages I believe it will lay the foundations for far greater alternative energy development and energy conservation in coming years. Once the benefit of alternative energy is passed on to the broader community the impetus for change and further wider developments will be clear.

South Australia will place itself at the leading edge of alternative energy development, funded at no cost to the consumer yet with consumer benefits. A number of European and Scandinavian countries have already taken up the challenge and have begun to implement alternative energy strategies. Norway has a follow-up program to the Toronto recommendations that ensures that CO2 targets can be reached by a price and tax policy that allows environmental costs to be properly reflected in energy prices, and also by means of energy savings, renewable energy and local energy planning.

Sweden has taken the bold step of attempting to phase out its dependency on nuclear power stations and increasing energy taxes. Much of these taxes will be ploughed directly back into the funding of alternative energy schemes based in renewable resources with subsidies proposed for co-generation of heat and power. Denmark has undertaken research into a wide range of alternative energy forms, including the use of straw as a bio-fuel alternative for coal-fired and oil-fired district heating plants.

Denmark is also phasing in a broader based energy taxation system that reflects higher taxes for non-renewable fuel use, against lower taxes for renewables. In the Netherlands, the Dutch authorities have announced subsidy schemes for energy savings, a special climate fund, the introduction of internationally recognised labelling standards of efficiency for all electrical appliances and a large-scale research and development program for alternative energies.

The PRESIDENT: Order! I have to call the Hon. Mr Gilfillan to order. After consultation, it has been decided that what the honourable member is talking to is a money Bill and as such cannot be introduced into the Council. Under the definition in the Constitution Act, it is deemed to be a money Bill. Therefore, the Bill cannot be proceeded with. We did not have an advance copy of the Bill and only received it at the table when it was introduced a few moments ago.

The Hon. I. GILFILLAN: Well, that is fairly devastating news. I seek your guidance, Mr President. Should the money clauses in the Bill be in erased type?

The PRESIDENT: The opinion is that money is involved in all of it and that if you take that away there is no Bill. Therefore, I will have to rule the honourable member out of order.

STATE BANK

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

(Continued from page 3270.)

The Hon. C.J. SUMNER (Attorney-General): The Government opposes this motion. Yesterday in this Council the Hon. Barbara Wiese, on my behalf, gave a detailed ministerial statement on the reasons for the Government establishing the royal commission and the Auditor-General's inquiry in the manner that we did. The issue has been canvassed in public at great length, including at the hour-long press conference that I gave on Monday. There is little point therefore in repeating those matters. I can only refer members to the ministerial statement on the terms of reference issue given yesterday. That ministerial statement answers most, if not all, of the queries raised by the Hon. Mr Griffin.

The fact is that the Government fundamentally disagrees with the Opposition's proposition that the royal commission should, in effect, be one inquiry which encompasses all the matters that are currently either in the royal commission or in the Auditor-General's inquiry. We have had to take account of the advice that we have received from Mr Nobby Clark, the Chairman of the State Bank Board, and particularly advice from J.P. Morgan. Mr Joe Sabatini of J.P. Morgan said:

> There are significant risks for the ongoing operations of the bank in holding a full public royal commission into the bank's operations.

The board of the State Bank has also expressed similar views. In the light of that advice, if we have a royal commission which ultimately destroys the bank then nothing will have been achieved and, of course, the Government would then be held accountable for that.

That is a risk the Government is not prepared to take, which is why we have structured the royal commission and the Auditor-General's inquiry in the manner we have. We believe it is a responsible approach to a difficult problem, ensuring on the one hand a full inquiry but on the other hand protecting the bank from disruption and possible delay in getting back to profitability.

A number of the issues which have been raised are either total pedantry or have already been covered. I do not believe that the Victorian or Western Australian precedents are applicable here. In Western Australia the inquiry is into specific transactions. In Victoria the royal commission is into a bank that is already defunct, and not a bank that is a living institution. That is the critical difference and it has guided the Government's thinking in this area to a considerable extent.

In answer to a question from the honourable member opposite, I point out that off balance sheet companies are covered in the Royal Commissioner's terms of reference in the definition of 'operations'. In so far as the royal commission's terms of reference deal with the off balance sheet companies, the definitions of 'operations' in the Royal Com-

missioner's terms of reference is broad enough to cover the off balance sheet companies, or at least will be once the State Bank Act Amendment Bill is passed in this Parliament, which will provide that entities can be proclaimed by regulation as being within the operations, if there is any doubt that the off balance sheet companies are covered.

I have dealt with the question of the Premier's role and yesterday answered that adequately, I believe, in answer to a question from the Hon. Mr Griffin. His points about the terms of reference not covering communications from the Government back to the bank are just ridiculous and do not deserve to be thought about or given another moment's time. Really, there is no substance in the other comments made by the honourable member. Basically, it is a difference of principle between having the whole lot covered by a royal commission, with all the adversarial process, the lawyers, the cost and the expense, or having the Government's proposal, which is a joint proposal—the Auditor-General and royal commission—which can operate at the same time, thus hopefully cutting down the time that the commission or the inquiry will take.

Also, the terms of reference of the Royal Commissioner and the Auditor-General were shown to both those persons respectively. Of course, while it is not their responsibility (it is ultimately the responsibility of the Government as to what the terms of reference should be) they did make some—

The Hon. K.T. Griffin: You have shown them to the Royal Commissioner and to the Auditor-General?

The Hon. C.J. SUMNER: Yes. Certainly, as I recollect, the terms of reference of the royal commission were shown to the Royal Commissioner as were, I believe, the terms of reference of the Auditor-General, and certainly the terms of reference of the Auditor-General were shown to him. I also believe the terms of reference of the royal commission were shown to him as well. It is not a matter for them, but it is worthy of note that they did see the terms of reference and made some comments on them which were taken into account by the Government.

I clearly accept that the ultimate responsibility for the terms of reference and whether they are adequate rests with the Government. The Government believes that they are adequate. It believes that it will be an inquiry that will work and achieve the objectives which the Government has outlined. I ask the Council not to agree to the motion, or to the Hon. Mr Elliott's motion, which I will not speak to separately. I suggest that both motions be defeated.

The Hon. K.T. GRIFFIN: There is no reason at all for the Attorney-General to try to belittle the contributions that are being made on this issue or to denigrate them. Of course, that is his style on occasions where he does not want particularly to address the real issues. The speech that I made which drew attention to some of the possible and some of the actual difficulties was, as I said right at the beginning of my contribution, a genuine attempt to try to identify some concerns that we have about the terms of reference of the royal commission and the nature of the inquiry.

The Attorney-General is correct in one respect, that there is a major difference of view as to the extent of the inquiry that ought to be undertaken by the Royal Commissioner. There is a significant gulf between the two major Parties in that respect. In the light of the fact that the Attorney-General has indicated that there will not be any change to the terms of reference, all we can do is hope that the Government will be persuaded, if the Royal Commissioner believes that the terms of reference are too narrow, to widen the terms of reference.

The Attorney-General referred to the ministerial statement made yesterday on his behalf by the Hon. Barbara Wiese. I suggest that the ministerial statement does not address all of the issues that I have raised. What it does say is that the royal commission will have access to periodic reports by the Auditor-General, and that is correct, but so that he can consider all relevant material in its full perspective when arriving at his findings, that is patently wrong, on the basis of the terms of reference.

The Auditor-General's report, which goes to the Royal Commissioner, is only on paragraphs A to D of the terms of reference of the Auditor-General and does not encompass matters as serious as conflict of interest, illegality or corruption, and the Royal Commissioner is only entitled to consider the report of the Auditor-General to the extent that it comes within the terms of reference of the royal commission. So, it is not considered by the Royal Commissioner in its full perspective, and that is a major area of concern. The other matter that is of some concern is that the ministerial statement says:

> The Government believes that the establishment of two cooperative inquiries is the most responsible means of conducting a thorough investigation into the bank.

The only areas of cooperation that can be identified from the terms of reference are, first, that the Auditor-General is required to present his report on paragraphs A to D to the Royal Commissioner, on the one hand, and, on the other, the Royal Commissioner is entitled to receive the report and to consider it in so far as it is relevant to his terms of reference, and then to have access to such other material before the report is given by the Auditor-General, as are within the terms of reference of the Royal Commissioner and which the Royal Commissioner regards as relevant. I would suggest that there are not the cooperative inquiries which the ministerial statements lead us to believe will be the case. In practice, we will have to see how this cooperation does occur.

Is the material that the Attorney-General is collecting on a day-by-day basis, the statements that have been taken from witnesses and the details of the persons interviewed to be communicated to the Royal Commissioner, and is he going to talk to the Auditor-General to ensure that the two do not overlap? That is not clear. We shall have to wait to see how these get up in practice.

It is encouraging to note from the ministerial statement that a prominent South Australian QC, Mr John Mansfield, is counsel assisting the commission. It is not identified who his junior counsel will be, but I hope that can be announced by the Attorney-General in the not too distant future.

The Attorney-General referred to the operations of the State Bank being within the purview of the terms of reference of the royal commission. I acknoweldge that 'operations' is to be defined under an amendment to the State Bank of South Australia Act, but I point out to the Attorney-General that the only context in which the operations of the bank and the State Bank Group may be considered by the Royal Commissioner is under paragraph 3 of the terms of reference of the royal commission, and then only in the context of whether the board exercised proper supervision and control over the operations of the bank and the State Bank Group; and that is a fairly limited proposition.

I was very disappointed to hear the Attorney-General's contribution to this debate. I am prepared to support the Hon. Mr Elliott's amendment on the basis that all along we have wished to see only one inquiry encompassing all these matters. The Hon. Mr Elliott's amendment will bring the royal commission closer to what we have been proposing from the outset if the recommendations are accepted.

Obviously, the motion will be carried. I hope that, notwithstanding the Attorney-General's contribution to this part of the consideration of the matter, he will reflect upon what has been said and will seriously consider the matters that have been raised away from the heat of this debate.

Amendment carried.

The Council divided on the motion as amended:

Ayes (11)—The Hons J.C. Burdett, Peter Dunn, M.J. Elliott, I. Gilfillan, K.T. Griffin (teller), J.C. Irwin, Diana Laidlaw, R.I. Lucas, Bernice Pfitzner, R.J. Ritson and J.F. Stefani.

Noes (8)—The Hons T. Crothers, M.S. Feleppa, Anne Levy (teller), Carolyn Pickles, R.R. Roberts, T.G. Roberts, G. Weatherill and Barbara Wiese.

Pair—Aye—The Hon. L.H. Davis. No—The Hon. C.J. Sumner.

Majority of 3 for the Ayes.

Motion as amended thus carried.

STATE BANK: AUDITOR-GENERAL'S INQUIRY

Adjourned debate on motion of Hon. M.J. Elliott (resumed on motion).

(Continued from page 3271.)

The Hon. M.J. ELLIOTT: It is pleasing to see that the Government is acquiescing in this particular matter and that the Opposition—

The Hon. Anne Levy interjecting:

The PRESIDENT: Order! Is this a point of order?

The Hon. ANNE LEVY: I was not going to speak but, in the light of what the Hon. Mr Elliott is saying, I feel that I would like the right to speak on this motion.

The Hon. M.J. Elliott: Is that a point of order?

The PRESIDENT: It is not a point of order. It is a request, I take it, if the honourable member is prepared to yield to the Minister to contribute to the debate. I gave him the call, he started, and it is in his hands at this stage.

The Hon. M.J. ELLIOTT: I suppose it is a question whether it will be a useful contribution. I will defer to the Minister and give her a chance to speak.

The PRESIDENT: Thank you very much. The honourable Minister.

The Hon. ANNE LEVY: Thank you, Mr President. I would have been very surprised indeed if the honourable member had not yielded. It is not the custom in this Chamber to prevent members from having an opportunity to speak.

Members interjecting:

The PRESIDENT: Order! The honourable Minister.

Members interjecting:

The PRESIDENT: Order! I should say that I gave the Hon. Mr Elliott the call, the debate was in the Hon. Mr Elliott's hands, and he kindly consented to let the Minister make some remarks, so the honourable Minister has the call.

The Hon. ANNE LEVY: Thank you, Mr President. I am just waiting for order in the Chamber, in case anyone wishes to hear what I have to say.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: For the record, the Government opposes this motion. The reasons for doing so have been elaborated by the Attorney-General in his speech earlier today and in the ministerial statement which was delivered yesterday. If anyone wishes to have further information as to the reasons involved, I suggest they check those sections of *Hansard*.

The PRESIDENT: I call on the Hon. Mr Elliott in concluding the debate.

The Hon. M.J. ELLIOTT: I am not quite sure if it is in *Hansard* that I said that the Government acquiesced. However, it did not quite acquiesce. I am not quite sure that the Attorney did address the matters contained in this part of the motion. In any event, I am pleased to see that the Liberal Opposition is supporting this motion, which calls on the Auditor-General, as a matter of urgency, to examine the potential debts and liabilities of Government institutions, particularly those causing concern, the SGIC, WorkCover and SASFIT, and takes particular notice of the unfunded workers compensation obligations of Government instrumentalities.

Whilst I am aware that the Auditor-General, in general, would look at these sorts of matters, I think it should be quite clear that this motion is a request for a specific instruction that these matters be looked at in a great deal of detail. In the light of our experience with the State Bank, I think it goes beyond the normal sort of audit that the Auditor-General would do in relation to these bodies, and I believe that it is a job that the Auditor-General would do extremely well. Certainly, in the past the Auditor-General has alerted us to some difficulties with other bodies, such as SATCO, which was one prominent example. However, there are a number of others as well. As I said, it is important that as this State approaches the next budget it has a very clear picture of its liabilities.

It was suggested in the last edition of the *Business Review Weekly* that South Australia may be facing total debts, including the State Bank debt, of $3 billion. Having looked at the figures, I believe that that is probably an overstatement. Certainly, the $1 billion State Bank figure has been confirmed but, if one looks at the statistics that are available, one will see that we have in excess of $200 million in WorkCover, and SGIC is facing some quite significant liabilities. Depending on how its luck pans out in the courts in relation to 333 Collins Street and how long it must sit on some of its assets that are now worth significantly less than they were at the time of purchase, SGIC has indicated that it may need a capital injection. It certainly has been going through a pruning exercise in recent days—selling off its assets, and so on.

Clearly, there are difficulties, the extent of which it is difficult to guess, but probably if SGIC were a private insurer it would have been reviewed by the appropriate body by now. As I indicated, SASFIT also has some significant doubtful investments. I think it is important for the State that the size of the problem is analysed. In Victoria, after its experience with its State Bank and Tricon, the Auditor-General was instructed to do just the sort of study for which I am now calling. It is a matter of great urgency, and for the Government to oppose this motion seems very silly. I urge the Council to support this motion.

Amendment carried.

The Council divided on the motion as amended:

Ayes (11)—The Hons J.C. Burdett, Peter Dunn, M.J. Elliott (teller), I. Gilfillan, K.T. Griffin, J.C. Irwin, Diana Laidlaw, R.I. Lucas, Bernice Pfitzner, R.J. Ritson and J.F. Stefani.

Noes (8)—The Hons T. Crothers, M.S. Feleppa, Anne Levy (teller), Carolyn Pickles, R.R. Roberts, T.G. Roberts, G. Weatherill and Barbara Wiese.

Pair—Aye—The Hon. L.H. Davis. No—The Hon. C.J. Sumner

Majority of 3 for the Ayes.
Motion as amended thus carried.

LOCAL GOVERNMENT ELECTIONS

Adjourned debate on motion of Hon. J.C. Irwin:

That this Council calls on the Minister for Local Government Relations to allow council elections in the cities of Woodville, Hindmarsh and Port Adelaide to be held in May 1991.

(Continued from 20 February. Page 3064.)

The Hon. ANNE LEVY (Minister for Local Government Relations): As indicated by the honourable member, a proclamation has been issued by Her Excellency the Governor suspending the election in the three municipalities referred to in the motions for a period of up to 12 months. The Hon. Mr Irwin's motion indicates that he completely fails to understand the provisions of the Local Government Act and, in particular, Division V—the special provisions relating to elections. Section 94 of the Act, which deals with the date of elections, provides:

(1) Subject to this section, elections must be held to determine the membership of each council on the first Saturday of May in 1985, on the first Saturday of May in 1987, on the first Saturday of May in 1989, and so on at intervals of two years.

Where—

(a) a proposal for the making of a proclamation under Part II, amalgamating two or more councils, has been referred by the Minister to the advisory commission for inquiry and recommendation;

(b) the proposal was referred to the commission at least three months before the first Thursday of March in a year in which periodical elections are to be held under subsection (1);

(c) the commission has advised the Minister that it will not be able to report to the Minister on the proposal before the first Thursday of March in a year in which periodical elections are to be held under subsection (1)

the Governor may, by proclamation, suspend the holding of a periodical election for the councils to which the proposal relates.

This is precisely what has occurred in this case. The proposal for the amalgamation of the three councils was forwarded to me late last year and promptly forwarded on to the advisory commission by me.

The Hon. J.C. Irwin interjecting:

The Hon. ANNE LEVY: It came out of the blue.

The Hon. J.C. Irwin: You can say that.

The Hon. ANNE LEVY: I certainly can, and there was no intimation to me whatsoever that it was coming. The Local Government Advisory Commission, following the Act, advised me in a letter dated 11 January, a copy of which has been given to the Hon. Mr Irwin, as follows:

The commission therefore wishes to advise you that it will be unable to report on the matter by the first Thursday of March this year, being 7 March 1991.

So, the advisory commission reported that it would not be able to give its report on the amalgamation proposal by the statutory date. In addition, having heard submissions from each of the councils involved, the commission recommends the suspension of the May 1991 periodical elections in the cities of Port Adelaide, Woodville and the Town of Hindmarsh. Therefore, clearly in these circumstances, it is advisable that elections should not be held.

In his speech and his interjections a minute ago on this matter, the Hon. Mr Irwin allows his imagination to go rather wild with his interpretation of this section of the Act. He is fairly confused when he tries to relate the example of Mitcham, Happy Valley or Henley Beach as a precedent to follow. He rightly pointed out to the Council that the Mitcham proposals took two years finally to resolve—from December 1987 to February 1990—and that the 1989 council elections were in the middle of that period, and were not postponed for the affected areas of Mitcham and Happy Valley (and, I presume, he would extend that comment to Henley Beach).

However, there are distinct differences between the two situations, although I admit that they may be too subtle for the Hon. Mr Irwin. Apart from the fact that neither Mitcham nor Happy Valley councils requested a suspension and that the Local Government Advisory Commission did not recommend it, this lack of request or recommendation probably comes from the fact that the councils concerned and the advisory commission are able to read the Act. More importantly, of course, the trigger for the suspension described in the Act is a proposal for amalgamation. The Mitcham case was a proposal for a boundary alteration and the Henley Beach case was a boundary alteration and, under the Act, amalgamations and boundary alterations are not synonomous. If the Hon. Mr Irwin does not believe me, I suggest he consult a lawyer. Section 94 of the Act does not cover proposals for boundary alteration; it covers only proposals for amalgamation. I repeat: if the Hon. Mr Irwin does not believe me, I suggest he consult a lawyer, who will tell him exactly the same thing.

I must point out that the suspension of elections is a matter quite separate from the merits or otherwise of council amalgamations. The suspension of elections can be triggered by a proposal not being able to be reported on before a certain date. The suspension of elections has no bearing on, nor is the suspension any indication of, what the recommendation will be, in time, from the advisory commission. It is totally neutral as to what the recommendation will eventually be.

The Hon. Mr. Irwin suggested that everything other than ward reviews should be put on hold until local government has decided its own future, and that includes the future of the commission. I emphasise that the suspension of the election in this case of the proposal to amalgamate Woodville, Hindmarsh and Port Adelaide was recommended by the Local Government Advisory Commission, which is an independent body. As the Minister, I proceeded in the proper spirit of the memorandum, according to the view of the Local Government Advisory Commission. To have done otherwise would have been interfering in the work of the advisory commission, which is currently located in the Bureau of Local Government Services that is administered by a management committee, with the majority of members coming from the Local Government Association. It is certainly quite independent of me. All I have done is to follow the correct procedure as laid down in the legislation, following the advice of the advisory commission, over which I have no control whatsoever.

It is obvious to everyone who has an interest in local government that the future of the advisory commission is an issue for the negotiating team. To date, as I understand it, neither party to the negotiating team has indicated any urgency to discuss the position of the advisory commission. The timing of consideration of any proposals—be they for boundary alterations, amalgamations, or even ward alterations—is entirely in the hands of the advisory commission. I repeat: it is an independent body. I am certainly not aware of any haste on anybody's part, other than the Hon. Mr Irwin's haste in jumping to rather far fetched and paranoid conclusions.

Certainly, with regard to the proposal on the amalgamations of Port Adelaide, Woodville and Hindmarsh, I did what I always do with any proposals, be they for boundary alterations, ward alterations or amalgamations, and what is indeed the correct procedure under the Act: I referred it to

the advisory commission. It is certainly not my role to vet the contents of any proposal, nor consider such questions. That is a matter for the advisory commission, which is, I am quite sure, capable of following its own procedures.

I am not quite sure whether the Hon. Mr Irwin is attacking me for referring the proposals to the advisory commission. Is he now saying that I should vet proposals before referring them to the commission? This shows even greater confusion. Referring proposals to the advisory commission is the normal and correct procedure and to suggest, as the Hon. Mr Irwin has, that this is the first time I have used my power to go directly to the commission without a petition from electors with at least 20 per cent showing community support for a proposal shows how pathetic is the Hon. Mr Irwin's understanding of these simple and basic procedures.

It is rather embarrassing—and it must be an embarrassment to the Opposition and the local government community—that the interpretation of the Local Government Act has constantly to be explained by me to the honourable member. The honourable member is also confusing other provisions of the Act that relate to the referral to the advisory commission of an elector's proposal. He asks whether the new procedures have been adhered to. The advisory commission is perfectly capable of adhering to its own procedures. Even the Hon. Mr Irwin would acknowledge that the new procedures were derived from a lengthy review process which involved many people and much consultation. He admits that people such as the Chair of the commission had the best interests of local government at heart and in mind when the committee of review brought down its conclusions.

I cannot see how, on the one hand, the honourable member can believe that the new procedures are good ones when, on the other hand, he insults the advisory commission by implying that it is not capable of following its own guidelines. The honourable member should make up his mind. If he has a quarrel with the advisory commission regarding its following of its procedures, I suggest that he takes up that matter with the commission. His scatter gun approach to anything that requires serious analysis leads to rabbits running in all directions.

I have given the honourable member information which includes letters from the respective councils and the advisory commission and which makes it quite clear that the suspension of the elections was requested by all three councils. The statutory conditions for suspension were applied and, furthermore, the advisory commission recommended the suspension.

Just a few months ago, the Hon. Mr Irwin tried to castigate me for not following the advice of the advisory commission. Now he would have us believe that I should be castigated for following the advice of the advisory commission. He should be somewhat consistent and make up his mind whether or not he wants the Government to follow the advice of the advisory commission—he cannot have it both ways.

I remind the Council that, in this situation where elections have been suspended, they are suspended for a maximum period of 12 months. If the amalgamation does not proceed, the elections may be held as soon as the report has been received and, in any case, under the Act they cannot be suspended for more than 12 months. If the amalgamation does occur following the advisory commission's procedures, I am sure that the electors will vote as soon as possible and that recommendations regarding the election will be given by the advisory commission in its report as it has given them in any other report dealing with amalgamations.

I understand that the Local Government Advisory Commission has adopted a timetable to consider this proposal from the three councils based on the new procedures—I emphasise that—and that it does not expect it to be a drawn out affair. The new procedures in place certainly recognise the problems in the past of some proposals taking a long time to be determined. The new procedures also ensure that the community is properly informed and consulted, something which I am sure every member of this Chamber would endorse.

In summary, I have followed scrupulously the correct procedures according to the Local Government Act. The elections have been suspended for valid and correct reasons and on the recommendation of the advisory commission. The new procedures for council amalgamations are in place and are being followed and supervised by the advisory commission, and the local government elections for that area will be held as soon as possible.

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

SMOKING BAN

Adjourned debate on motion of Hon. M.J. Elliott:

That this Council:

1. endorses the decision of the Joint Parliamentary Service Committee to prohibit smoking in certain areas under its jurisdiction and calls on all members to abide by the terms and spirit of the decision;

2. declares its support for the long-term introduction of a smoke free environment throughout Parliament House; and

3. prohibits smoking in and about the lobbies, corridors and other common areas of Parliament House under its jurisdiction.

(Continued from 20 February. Page 3067).

The Hon. R.I. LUCAS (Leader of the Opposition): When I spoke to this motion on the last occasion I put a number of questions to you, Mr President, and to other members of this Chamber about some of its terms. I thank you and the officers of the Council for providing me with advice, some of which has clarified my understanding of the motion and some of which, through no fault of your own, has left the situation a little bit unclear.

Personally, I have no problem with paragraph 1 of this motion which seeks to endorse the current decision of the Joint Parliamentary Service Committee. I indicated in general terms my support for paragraph 2 of the motion which concerns the long-term introduction of a smoke-free environment throughout Parliament House. In doing so I did note that I personally have no objection to the authorities in Parliament House providing smoking rooms or smoking areas for smokers in this building, both staff and members. While I am prepared to support paragraph 2, I believe that we ought to cater for those smokers within our environment in areas where they can smoke to their heart's content—

The Hon. R.J. Ritson: Their disheart's content!

The Hon. R.I. LUCAS: Their disheart's content, as the Hon. Dr Ritson says—as long as it does not in any way unnecessarily infringe on the free space and health of other members of the Chamber. The major concerns I raised were in relation to paragraph 3, and I will not go over all the reasons for the concerns that I expressed last time. I now move:

Leave out paragraph 3 and insert new paragraph 3 as follows:

3. urges the President to prohibit smoking in and about the lobbies and corridors of Parliament House under the President's jurisdiction.

I had this amendment drafted to deal with some of the concerns that I raised when I last spoke.

The Hon. M.J. Elliott: What about in this Chamber behind the President's Chair?

The Hon. R.I. LUCAS: You might take that up with the Minister. In my view, the Council ought not to take upon itself responsibilities which in the past it has willingly left to the discretion of the Presiding Officer, in this case the President of the Legislative Council. If this amendment to the motion is passed it will certainly still be an expression of opinion of the members of this Chamber, but in my view it will also recognise the correct procedure and authority for making decisions in relation to what goes on in the lobbies and corridors.

That is not to say that technically and quite lawfully the Council can, if it so chooses, disagree with the President—and it may well do so on other occasions. Certainly, on this occasion I am happy to leave it to the President's good sense, having expressed a view in relation to the motion before us. My amendment excludes the notion of 'common areas'. Frankly, we found difficulty in understanding exactly what was covered by 'common areas'.

The Hon. M.J. Elliott: Areas to which we all have access.

The Hon. R.I. LUCAS: I had a discussion with the Hon. Mr Elliott and he talked in terms of common areas being those areas that are common to both the House of Assembly and the Legislative Council. My view on that was that a good part of those areas would be covered by the Joint Parliamentary Service Committee. Rightly, the Hon. Mr Elliott points out that there are some areas that members of the House of Assembly can come to which might not be covered by the Joint Parliamentary Service Committee and which are within the control of the Legislative Council. However, it does not include the Chamber of the Legislative Council; certainly, that is not a common area.

The Hon. M.J. Elliott: It is a common area for us.

The Hon. R.I. LUCAS: It is common for us, but not for members of the House of Assembly. Another version of what is common, according to the Oxford dictionary and the advice that was given to me, is that 'common' means that it is open and accessible to all of us and to the public—it is a 'common' area.

The Hon. R.J. Ritson: The village common.

The Hon. R.I. LUCAS: Yes, the village common. If one considers that, one can see that 'common areas' in relation to the President's jurisdiction may well mean toilets, interview rooms and perhaps some committee rooms. It would not include members' offices, Party rooms and areas like that. So, if one were to interpret common areas in that way it would include some further areas but exclude members' offices, the snooker room and Party rooms, because they would not be open to the public.

We have some problems with what the definition of 'common areas' covers, and for those reasons I have moved the amendment which excludes the definition of 'common areas'. We would prefer that we do not have to resolve this issue formally in this Chamber. However, if through discussion with the various authorities within Parliament House the question of what occurs—

The Hon. Diana Laidlaw: And those who have some interest in this matter.

The Hon. R.I. LUCAS: Yes, and those who have some interest. On behalf of the Liberal Party I give an undertaking to the Hon. Mr Elliott that we would be prepared to enter into harmonious discussions with him, as Deputy Leader of the Democrats and as the shadow Minister for anti-smoking, about this matter of common areas, and also with the Government and more importantly with you, Mr President and the officers of the Council. We would prefer to resolve it that way rather than in public debate in the Chamber. However, we accept that the motion is before us. I urge members to support my amendment to the motion.

The Hon. PETER DUNN: I oppose the motion. I think it is the most frivolous and stupid motion I have seen in this Chamber for a long time. I do not smoke, but I find this motion quite stupid for the simple reason that we have committees and we have you, Sir, to decide on arrangements for all the things that go on in and around this Chamber. Yet, here we have a frivolous motion to tell us where to smoke. This is a reflection on you, Sir, and on the committees that we appoint to determine those things we can do and those places where we can go.

The Hon. M.J. Elliott: It is a reflection on the people who don't obey what those committees ask them to do.

The Hon. PETER DUNN: That's rubbish. It is not a reflection on the people disobeying those committees. Today there was a letter in my box saying that the Democrats now want the billiard room. Next thing we will have a motion in this Council saying that, because it is not used or because it is used too much, the Democrats want it. What will they come up with next? I suspect, anyway, that they eat alfalfa shoots for lunch! I support the Hon. Rob Lucas's amendment because I think it improves the motion—I do not agree with it, anyway. I think it is just a silly motion and that we are wasting time debating it.

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

STATE TRANSPORT AUTHORITY BUSINESS PLAN

Adjourned debate on motion of Hon. Diana Laidlaw:

That the Legislative Council take note of the State Transport Authority Business Plan 1987-88 to 1991-92, released in May 1990, and in particular:

1. The projected growth in the cost to the Government of providing the community with public transport services; and
2. The downward trend in the demand for and patronage of STA services.

(Continued from 10 October. Page 861.)

The Hon. DIANA LAIDLAW: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

COMPENSABLE PATIENT FEES

Adjourned debate on motion of Hon. R.J. Ritson:

That the regulations under the South Australian Health Commission Act 1976 concerning compensable patient fees made on 22 November 1990, and laid on the table of this council on 4 December 1990, be disallowed.

(Continued from 12 December. Page 2625.)

The Hon. R.J. RITSON: This disallowance motion concerns one of three rather similar and related regulations, each of them in a different way increasing charges levied by public hospitals on patients able to pay and, for the most part, on compensable patients and on pensioners. Before I sought leave to conclude my remarks previously, I had taken a fair amount of latitude and had canvassed matters relating to all three regulations. I dealt with pharmaceutical fees, which matter is in fact covered by another motion.

But my principal concern was to move on from that to the matter of charges made to compensable patients who,

for the most part, are WorkCover patients and people covered by third party SGIC insurance. My concern is that many of these charges are way and above the reasonable charges for the same service if rendered by providers in the private sector. In fact, the insurers of these patients are paying their share of mowing the hospital lawns or running the radiotherapy department, when these patients simply receive a bandaid or a bit of advice and are charged about $150 for that service.

Indeed, these charges could almost be viewed as taxation, because it is a way of easing the health budget by cross-charging exorbitantly to another insurer who then collects that money not from the general taxpayer but from the employers, and the cost of this excessive charge is laid at the feet of industry and becomes part of the cost of production. Having said that, there is now before Parliament a Bill dealing with workers compensation, which is a much more relevant vehicle for me to deal with this matter further, and so I shall indeed deal with it in relation to that Bill. Having said that, I move:

That this Order of the Day be discharged.

Order of the Day discharged.

PHARMACEUTICAL FEES

The Hon. R.J. RITSON: I move:

That the regulations under the South Australian Health Commission Act 1976 considering pharmaceutical fees, made on 1 November 1990 and laid on the table of this Council on 6 November 1990, be disallowed.

This disallowance motion deals with the charging of pensioners and other beneficiaries at our State public hospitals. The regulations introduce a charge of $2.50 for pensioner prescriptions and reduce a somewhat higher charge to $2.50 for other concessional beneficiaries. The obvious reasons for doing this are, in the first place, to create some administrative ease in having a common fee and, secondly, to bring the public hospital charge in line with the Federal Government's introduction of a similar charge for prescriptions privately dispensed to pensioners.

I do not object to the introduction of such a charge by our State's public hospitals. Indeed, I think they do need to defend themselves somewhat from an influx of people attending hospitals merely for the free prescription now that the privately dispensed prescription costs $2.50. My concern is this: there is in the privately dispensed system a threshold or cut-off point where, after a certain amount of money is expended by the pensioner, subsequent prescriptions are free.

There is nothing equivalent to that in these regulations. The regulations say that it is $2.50 no matter how many prescriptions one has and no matter how chronically ill one is. In discussion with Government officers, I am assured that they have a scheme for ameliorating this effect on pensioners within hospitals, and that would seem quite fair and just, but that remittance is not in the regulations. The regulations merely say that a pensioner shall pay $2.50 even if he or she has an infinite number of prescriptions.

I think that to have a regulation which is silent as to any safety net provisions and which does not recognise a threshold already achieved in the private sector—that is, a pensioner who has already spent his maximum contribution at his local chemist—is undesirable. The potential is for the Health Commission to alter its administrative practice and to erode its safety net concessions by administrative fiat and in consequence collect increasing sums of money from this system without the Parliament knowing anything about it. To have a charge by regulation and a remission by administrative practice allows the administration to reduce that remission year by year at any time that it needs more money, and the Parliament has no control over it and need not know about it until it is in place.

I want the Government to put its present administrative safety net provisions for the chronically ill into those regulations. I want to see how many prescriptions a month a pensioner has to pay for before they become free; I want to see that money expended in one public hospital is recognised in another public hospital as a credit towards those safety net provisions; and I want to see them in the regulations, not simply to be told over the phone that administratively those provisions are there. If things get a bit tougher next month or next year, they might not be there.

I want to leave the matter on the table to see whether I can get a response from the Government. It may be that it will give an undertaking to put the safety net provisions in the regulations. Having said that, I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

BENNETT AND FISHER LIMITED

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

That this Council views with concern the decision of the State Government Insurance Commission to vote at the recent annual meeting of Bennett and Fisher Limited in support of a motion seeking ratification of the purchase by the company of a building at 31 Gilbert Place, Adelaide, in view of the circumstances surrounding this purchase and the strong opposition of many major shareholders.

(Continued from 12 December. Page 2636.)

The Hon. CAROLYN PICKLES: Quite a lot has been said recently about SGIC's involvement in the Bennett and Fisher annual meeting which ratified the decision to purchase the building at 31 Gilbert Place. Clearly a number of questions could legitimately be asked regarding the circumstances of this transaction. For instance, the very fact that Bennett and Fisher bought the building from Mrs Summers, the wife of the Chairman of Bennett and Fisher, could well raise questions about conflict of interest. Yet it appears that no conflict of interest arose, given that neither Mr Summers nor any members of his family voted on the decision.

The price which was paid for the building—$4.5 million in March 1989—has raised other questions, given that the original purchase price by Mrs Summers was only $190 000 in 1983. On this point an opinion was sought from Price Waterhouse by Bennett and Fisher to determine whether the transaction was fair and reasonable from the point of view of the non-associated shareholders. I quote directly from the report:

In our opinion, the transaction with Mrs Summers is fair and reasonable to the non associated shareholders of the company because, having acquired the building at 31 Gilbert Place, the company is able to consolidate the site currently occupied by Bennett and Fisher (12 Currie Street building) and 33 Gilbert Place in a development of the surrounding area. This maximises the potential development and eventual value on the intended sale of the building at 12 Currie Street and in turn increases the ongoing profitability of the company.

While Price Waterhouse were unable to determine whether the price paid was the market value, they state that they were satisfied that the transaction does not have a detrimental effect on the interests of non-associated shareholders. Yet the issue that we are supposed to be debating today is not about the price or conflict of interest, but about whether SGIC should have cast its vote at the annual meeting. Yet I doubt very much whether this is the central issue at stake here.

What we have seen from members opposite over recent months has been a continued and sustained attack on SGIC—an attack based on misinformation and innuendo. Whether or not SGIC was correct in casting that vote is not the issue at stake for those members opposite. Their agenda is purely political; they are merely laying a powder trail of political questions and accusations regarding SGIC.

Before addressing this issue in more detail, let me first raise a number of valid points in answer to the Bennett and Fisher transaction. It is true that SGIC has a policy of being a passive investor. This means that it does not vote against the Chair, but may on occasions abstain. In this instance, however, abstention would, in effect, have been a vote against the Chair; it would have been a vote of no confidence in the Chair as it would have resulted in the motion being lost. Faced with these circumstances, SGIC decided to maintain the *status quo* and vote in support of the Chair for the approval of the purchase.

The Australian Stock Exchange ruled that it was in order for Mr Denis Gerschwitz and SGIC to vote on the motion, and I understand that, so far as they are concerned, the matter is now closed. For the record, it should also be noted that the NCSC has never had any interest in the transaction. I should reiterate, once again, that SGIC's decision to vote has been ratified by the Price Waterhouse report, which clearly showed that positive benefits were available to Bennett and Fisher in acquiring the property.

In debating this issue today, I think it is important to put in proper perspective the role of SGIC in South Australia and its performance in recent years. The Opposition has continually tried to downgrade and denigrate SGIC and highlight its non-performing investments without looking at the performance of SGIC overall. In 19 years SGIC has grown from a concept with a loan of $60 000, which was repaid with interest within two months, to the largest general insurer in South Australia, managing assets of $1.5 billion. In 1990, the SGIC group made a net profit of $28.8 million. This was the fourth consecutive net profit, which now totals more than $94 million for the last four years.

SGIC's overall performance can be put into perspective by comparing it with that of other major insurers in recent times. In 1990, SGIC's net profit was $10 million higher than the second largest insurer in Australia—FAI. FAI returned a net profit of $18.24 million, which was 69.6 per cent lower than the profit in the previous year. Commercial Union returned a loss of $27.8 million, which was 235 per cent lower than the result in the previous year. SGIC (WA) returned a loss of $109 million, which was 66 per cent worse than the result in the previous year. These are just some of the facts on which the Opposition was conspicuously silent when debating SGIC. Members opposite are also silent about the good performers in the SGIC investment portfolio, such as SA Brewing, Hills Industries and Macquarie Bank.

Any major investor in Australia could be criticised for the poor performance of some of its portfolio. Rather than members opposite continually attacking SGIC on individual investments or short-term performance and rather than spreading misinformation and rumour, it would be a refreshing change for those members opposite to acknowledge the overall long-term performance of SGIC.

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

COUNTRY HOSPITALS

Adjourned debate on motion of Hon. Bernice Pfitzner:

That this Council calls on the Government through the South Australian Health Commission to consult with country hospitals and with doctors providing services in these hospitals and with the communities which the hospitals serve; in order to explain and justify any proposed budget restriction or any proposed other steps which might be expected to restrict or adversely affect the service which such hospitals provide to patients and to the communities.

(Continued from 12 December. Page 2620.)

The Hon. CAROLYN PICKLES: In responding to this debate, I think it is important to deal in a constructive way with the issues raised by the Hon. Dr Pfitzner and to highlight four specific areas. I refer firstly to the fee for service funding and global budgeting. Prior to the formation of the Country Health Services Division in 1987 and up until the current financial year, fee for service had been a negotiated line with Treasury. The practice had been for Treasury to make an initial fee for service allocation as part of the total Health Commission budget and then, during the course of the year, accept submissions for supplementing this initial allocation to take account of cost increases arising from approved changes in the fee for service agreement, cost increases arising from changes in the Commonwealth medical benefits schedule, cost increases associated with the drop-out from private patient status to public patient status and significant activity increases. I seek leave to have a purely statistical table inserted in *Hansard.*

Leave granted.

Fee for Service Allocation 1989-90

	$'000
Initial allocation	12 681
During 1989-90 increases were approved for:	
CMBS changes	518
Upper Spencer Gulf after hours casualty service	700
Private patient drop-out	
Activity increases	1 652
Complexity increases	
Final fee for service allocation	15 551
Actual 1989-90 expenditure	15 993
End of year position—overrun	442

In summary, during last financial year, Treasury provided a 22.6 per cent increase in funds compared with the allocation at the commencement of the year. Despite the final allocation being increased to $15.551 million, the actual expenditure in 1989-90 was $15.993 million. The difference, a budget overrun of $442 000, was not provided for and was a serious cause of concern for the Country Health Services Division. The overrun was subsequently investigated by the division and resulted in the commission taking a policy decision with respect to fee for service which is as follows:

- Apart from regional hospitals, all other hospitals should only process fee for service payments once a month.
- Hospitals are to estimate their fee for service requirements by identifying the types and volumes of procedures they will be performing in the ensuing year.
- External auditors are to be requested to verify payments for fee for service against payment vouchers.
- A preferred approach to payment of fee for service accounts was developed by the division following the review of payment procedures in hospitals. The preferred approach ensures that a number of internal checks are carried out prior to the account being approved for payment.

- A minimum set of audit checks should be carried out at all health units by the Principal Medical Officer, or in his absence, the Chief Executive Officer.

The fee for service allocation to the Health Commission for the 1990-91 financial year was $15.665 million, including an amount of $114 000 for carry-over effects of a change in the medical benefits schedule in the previous year. The commission added a further $300 000 to this amount from its overall health budget allocation, giving an initial fee for service allocation of $15.965 million.

The division retained $200 000 of these funds for the continuing medical education initiative, which has been included in the fee for service allocation in the past two financial years. The amount distributed to the health units at the start of the financial year was therefore $15.765 million. However, during the year, the $200 000 for CME will be distributed to health units.

During the 1990-91 financial year the Health Commission is expected to receive an operating budget which is higher than last year's in real terms. However, the Government has signalled the need for all areas of the public sector to contain costs and to fund cost pressures from within existing budgets. From experience in this financial year so far, there are a number of key pressure areas giving rise to substantial fee for service overruns on a year to date basis.

In relation to regional services, the Country Health Strategy has promoted the expansion of specialist medical and surgical services in selected regional and sub-regional hospitals in country areas of South Australia. Most of the regional hospitals have responded positively to the strategy and have actively recruited additional specialist staff to expand the range of services available. The non-fee for service costs have been funded from internal productivity improvements or through reallocation of funds by the Country Health Services Division. A number of these services commenced part way through last financial year and are now contributing to the overrun. Many of these services, such as ophthalmology services, have not previously been widely provided in the country areas, but can now be provided very effectively through day surgery techniques.

Day surgery has been promoted by the division in the interest of both patient care and cost effectiveness of services. Again, country areas of South Australia have responded to this objective in a spectacular fashion with a 25 per cent increase in day surgery this financial year. However, some of this increase is due to the reclassification of procedures that were previously carried out as non-inpatient procedures. Looking at admissions in the period July to November 1990, there has been a 2.1 per cent increase, and fee for service costs are directly related to admissions. This is a major factor behind the fee for service budget pressures being experienced in the regional hospitals.

The occupied bed day situation in the country shows an overall decrease of approximately 5 per cent. This is made up of a reduction in occupied bed days at the regional hospitals of 4.7 per cent coupled with a decrease of 5.3 per cent at the smaller country hospitals. The reduction in occupied bed days, particularly in the regional hospitals, should be able to be translated into real savings and therefore provide individual hospitals with some capacity to reallocate within their global budget.

The Government is committed to the achievement of improved health services for country South Australians as detailed in the country health strategy. However, the Country Health Services Division has an obligation to live within the allocated budget and, in preparation for this, it has advised all hospital administrations that their fee for service allocation is to be controlled this year and be treated as part of the hospital's global budget. If savings can be made elsewhere in the hospital's operations, then those funds can be transferred to fee for service if the board so desires.

The Fee for Service Agreement was negotiated between the AMA and the Health Commission in July of last year, and it was decided by Government that recommendations for the payment of increased fees to doctors in selected areas should be approved, but that the additional costs should be met by the South Australian Health Commission. In response to that, the Health Commission advised the AMA that it was not able to find funds for the full year cost of the new arrangements and proposed that they apply from 1 November 1990.

I turn now to the present situation in Cummins. There is a sole general practitioner at Cummins, who has been there for about 10 months. He is negotiating for a husband and wife team to join him in the practice. I am delighted that two more well trained general practitioners are going to work on the west coast, and the Health Commission strongly supports that development.

Late in January, commission officers negotiated with representatives of the Cummins, Tumby Bay, and Port Lincoln hospitals to increase the fee for service allocation to Cummins immediately, and gave an assurance that an appropriate level of fee-for-service payments would be available when the Doctors Madsen start work at Cummins.

In relation to the issue of private cover, over the past three years or so, patients holding private insurance are increasingly electing to be treated as public patients rather than use the private insurance that they hold. In some cases, medical practitioners are encouraging their patients to be treated as public patients even though they hold private insurance. Every time this occurs, the State, rather than the health insurance funds, picks up the cost of the medical services.

In times of restraint on hospital budgets, there is clearly an opportunity for country people with private insurance to help their hospital and community by using their private insurance. This is a very simple and effective method of reducing the pressure on the fee-for-service budget. It is for this reason that country hospitals are encouraging their insured patients to elect to be treated as private patients.

Members interjecting:

The PRESIDENT: Order!

The Hon. CAROLYN PICKLES: The Government and the South Australian Health Commission do seek to take advice from country doctors, and I highlight some of these areas. The South Australian Health Commission considers that it does seek and take advice from country doctors and consumers, as shown by the following: consultations on rural general practitioner training needs; negotiations with the AMA's rural doctor's committee on fee-for-service arrangements; regular principal medical officers and country specialists liaison meetings with the Country Health Services Division; consultation with the Minister personally, concerning the Coffin Bay community health centre initiative, in May and June 1990; and regional budget meetings, initiated for this financial year, to which medical practitioners' representatives were invited.

The Hon. R.J. RITSON: I have never heard such a nice, polite obfuscation of the fundament of the problem as that. It almost sounded as if there were not any cuts. The plain simple fact is that the activity in the country division has increased; it has increased because the Government wants it to. It wants to get regionalised specialist services and, as the Hon. Ms Pickles said, in response to its policy, the medical profession has built up these services. Whyalla is a

case in point. The country hospitals were told that they would be compensated for this increased activity by additional money, which would be taken from the metropolitan division and transferred to the country division, because this represented a saving to the city. The patient retention in the country hospitals, with their cheaper beds, would save the city.

So, confident that they were being good little boys in carrying out the Government policy and that the Government would give them money to do it—it would compensate them for activity increase—these people went ahead and started to recruit and build up, amongst other things, the regional specialist services. However, the compensation never came, and the fee-for-service limit that applied was eroded by letting it melt in with the cost of cleaning and everything else in the hospital. Closure plans were put in place, particularly by the Whyalla hospital which, of course, left those specialists who had been recruited to the area in a position of having to take leave without pay for extended periods over Christmas, and it is likely to happen again at Easter. One does not build up a rural specialist service by proclaiming a policy of doing so and then standing the doctors down without pay, but that is, in effect, what took place.

What we have heard from the Hon. Ms Pickles is a very wordy, long piece of public officialese which says all the right things but which obscures the fact that these regions were encouraged to increase their activity and build up regional specialist services. They were told they would be compensated for their patient retention out of the metropolitan division funds available, but they were not. I want to wait until I can get a copy of Ms Pickles' speech, because it was hard to hear her while she was delivering it, and I want to take further advice and have it examined expertly to see what a pea and thimble trick might have been done and how those explanations stand up against the situation as it is on the ground and what the troops on the ground think of that explanation.

Just in passing, I might add that only last weekend in the city—and this gives an indication of the parlous state of our Government health services—I had occasion to phone a metropolitan hospital about a patient whom I considered to be very ill and requiring hospitalisation. The doctor was very nice; I told him about the case and he thoroughly agreed that the case needed another opinion and he would see the patient straight away. However, he said, 'You know we are closing beds all over the place, doctor, and we cannot admit patients just because they are sick enough to be nursed,' and he went on and on, and left me with the impression that they were only admitting dead people. From the practical point of view it is becoming harder and harder, whether you are living in the city or in the country, to get quality care for patients unless they are on the brink of death. That is the impression I get as a practising medical officer. So, I want an opportunity to take Ms Pickles' Public Service officialese explanation away and consult with some troops on the ground to see what real bearing that explanation has with reality and, having said that, I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

STA CORPORATE PLAN 1990-94

Adjourned debate on motion of Hon. Diana Laidlaw, (resumed on motion).

(Continued from page 3270.)

The Hon. DIANA LAIDLAW: Prior to seeking leave to conclude my remarks, I indicated that I wanted to make a few brief references to specific items in the STA Corporate Plan. The three goals identified by the STA are: first, to increase STA patronage; secondly, to increase the number of complementary non-STA services by 10 per cent; and, thirdly, to reduce the total expenditure needed to provide existing STA public transport service levels by 4 per cent over the next four years. Those goals are identical to the three goals identified in the STA business plan released in February 1990. In relation to the goals identified in that plan, in his report for the year ended 30 June 1990 the Auditor-General said:

> Audit supports the emphasis being directed towards initiatives which would improve key performance indicators in the areas of service development and financial efficiency.

They are the three areas that I have just mentioned. The report continues:

> However, it is Audit's opinion that the greatest potential for direct real savings to the authority is through increased labour efficiency. It is therefore suggested that it would be appropriate for the current review to be extended to encompass an assessment of all the authority's work practices and associated labour utilisation.

I emphasise those points made by the Auditor-General because I believe it is somewhat disappointing to find that in the three key goals identified by the STA for the next four years the issue of increased labour efficiency is not mentioned, contrary to the recommendations of the Auditor-General.

With respect to increased STA patronage, earlier I pointed out that the STA currently attracts only 10 per cent of the travelling community in the metropolitan area. It is STA's goal to increase by at least 4 per cent that patronage in peak hours and by 10 per cent in off-peak hours. Both those percentages are qualified, respectively, with statements about limiting factors such as current capacity or demand at various times of the day. I am not sure whether they are limiting factors on increasing the levels to 4 per cent and 10 per cent respectively or whether they are limiting factors in seeking to realise those goals of 4 per cent and 10 per cent. I welcome some comment by the Minister at a later date on that matter. I also would welcome some comment by the Minister about the reflection on page 11, where it is noted:

> The STA expects [over the next four years] to increase public transport's market share by at least .5 per cent in the peak hours;

I suspect that that means the STA is either putting on more services or that it will increase the number of transit modes under the umbrella of public transport by the utilisation of community buses and the like. That statement about increasing public transport's market share by at least .5 per cent in peak hours makes no sense when compared with the earlier statement about increasing patronage by 4 per cent. As there is no relationship between those two matters, I ask the Minister to explain this.

Page 11 also notes that the STA wants to improve operating cost recovery, from 43 per cent to 50 per cent. The next point is that it wants to improve total cost recovery to 41.2 per cent, but it does not indicate from what basis it is working. Is it currently 41 per cent? I suspect that the STA may be talking about a very limited increase because, with respect to improving operational cost recovery, the STA was prepared to give the figures from 43 per cent to 50 per cent, which is a very considerable jump and looks good. But, when it comes to improving total cost recovery it does not seek to give the base from which it is working to indicate the improvement that will be realised.

I note that the first strategy is a pro-active influence on urban form and activity patterns. I am heartened to see the STA taking this pro-active approach. The STA Corporate Plan notes:

> Through pro-active strategies, influence State and local planning to ensure that metropolitan public transport issues achieve due recognition.

It then outlines that it has a number of objectives in this regard most of which are sensible. I refer in this instance to the objective concerning car parking availability and fees. I noticed that the Lord Mayor of Adelaide, Mr Condous, very loudly damned in the *News* last night any prospect of an increase in car parking fees. I hope that he reconsiders that matter. I believe that there is room for gradual increases in these fees—not dramatic leaps. I was in Sydney and Melbourne last year and on both occasions was using a car and was shocked to find that parking in the CBD of Melbourne costs $12 an hour and it cost $16 an hour in a parking station in Sydney. In Adelaide it is advertised at $3.50 per day. All too often we leap into our car without thinking about the wisdom of doing that. I believe that a lot of the character of the City of Adelaide—and I say this as a resident of the Adelaide City Council—is being destroyed by the very enthusiastic policy of the council to build ever more car parking stations. In fact, on looking around today one sees a new car parking station up every back street and main street in the Adelaide CBD area. This situation has to be addressed.

With respect to the STA's goal of seeking support from the Department of Road Transport for appropriate road and traffic management measures, in my view the STA would be wise to look at what is happening in New South Wales. I note that, in association with the German Government, the Liberal Government of that State is experimenting with a whole range of new technologies that will allow travellers to phone to arrange for a bus to collect them from their home or, if a person wishes to leave home and go to a bus stop, they can ring a central number and find out when a bus will be at that stop. These buses would be linked to a computer system able to trace where the buses are on the route. If a bus breaks down or is late a commuter can ring up and ask when the bus will be at a certain stop. They are able to do that now, on certain routes, and I think that that is a remarkable development in encouraging the use of public transport.

I would be very keen to see the STA look at such a system in this State, especially as the German Government has been prepared to fund half the cost in Sydney. This State would be well advised to look at joint funding projects. I would like to see this sort of scheme piloted on certain routes in South Australia. The other day, coming back from the country, I asked one of my sisters to drop me off at a bus stop in the outer metropolitan area. This was on a weekday, and three quarters of an hour later I was still standing there waiting for a bus. There was no advice at that bus stop about when a bus would come. One might just as well have been standing in the middle of Kuwait; it was just so lonely and desolate, and you felt so powerless.

The Hon. R.J. Ritson: Did you have a long time Kuwait?

The Hon. DIANA LAIDLAW: Yes, very clever. The STA could do a whole lot of things to improve its services. In that respect, I am quite aghast at the fact that this report, on the STA General Manager's own admission, is heavily dependent for its success on the Government's being prepared to introduce strong measures—and I emphasise that—against drivers using their cars.

I have mentioned the issue of a moderate increase in car parking fees in parking stations in the CBD, but I have no doubt that the STA is looking at imposing considerably more on motorists to make it less attractive to get into a car and to encourage people to abandon their cars in favour of public transport. Whilst that might be a most noble goal, it is in the STA's best interests and certainly I would be demanding, if I were Minister, that the STA not rely on being propped up or being seen as an acceptable alternative merely by taxing motorists more.

I would prefer to see the STA get its act into gear, to clean up its act and prove itself worthy of gaining that increased patronage through public relations campaigns and a variety of other methods. It could take action to address graffiti. Just a bit of Handy Andy on some of these buses and trains would be a most refreshing change. I am not sure how many members have travelled recently on buses and trains, but I wonder when the carpets were last vacuumed. One certainly questions when the windows were last cleaned. It is not an attractive or comfortable experience—other than on the O-Bahn—and, essentially, it is a service that many people use merely as a matter of convenience without having any sense of joy or pride.

That is quite a contrast to what I have witnessed and enjoyed in public transport travel in both Perth and Brisbane over the past year when I have been encouraged by light rail enthusiasts to visit those States and experience their electrified systems. Certainly, in those two States there is a strong sense of pride and ownership by the people of those cities in their public transport, which is something one does not feel or sense at all in South Australia, other than on the O-Bahn. When the STA plan looks at the transit link suggestion, it would be much wiser to look at another fixed corridor, at least for the people of the southern suburbs.

Another point that I would make concerning the report is this: I am aghast that there is no provision in the report for a fixed route public transit system to the southern suburbs, which is probably the fastest growing area in this State. There are acknowledged major traffic congestion problems everyday coming into the Darlington intersection. The Government has a plan to exacerbate that congestion with a third arterial road, yet we do not even see any initiatives or vision in this corporate plan over the next four years to even start, let alone complete, a fixed corridor public transit system which could possibly even relieve the need for a third arterial road.

I believe strongly that the people of the southern suburbs deserve not only a public transport system that is reliable and pleasant to use but also one that is at least the standard of the O-Bahn servicing the north-east suburbs. In noting this report, I seek further clarification from the Minister about a number of targets in this report. As to absenteeism, the report indicates:

> . . . to see a reduction in absenteeism of 15 per cent by 1994.

I am not sure what is the level of absenteeism today, but a 15 per cent reduction seems rather large. It is heartening to see, but I would like to know the level and extent of absenteeism today and how it is proposed to address this subject. In respect of work related accidents, the target is to reduce such accidents by 1994 and to see a reduction in work related accidents of some 25 per cent by 1994. Again, I am not sure what the level of such accidents is today and what the 25 per cent decrease means in actual terms.

As to the integration of the network of public transit services, the corporate plan looks at extending STA's role to integrate not only its own services but also community bus services operated by local government or private agencies. I am disheartened to see that this plan and the Government itself have not endorsed the Fielding report's recommendations that, if we are to gain customer satisfac-

tion in this State and gain efficiencies in our public transit sytem, we must also seek to integrate taxis within our public transit system and again reintroduce private buses in a competitive tendering arrangement.

This is done in some areas in Victoria and certainly in New South Wales. It has been considered for introduction in Western Australia and, I think, in Queensland. The Western Australian Government will be forced, because of budgetary reasons, to look at its position. Certainly, competitive tendering in the United States has seen outstanding successes both in the range of services provided and the cost of the provision of those services. I have seen paper after paper on the subject: not from white, right-wing American WASP-ish researchers but from people associated with labour studies, transport economics and the like, from various universities in the United States. I believe strongly that Professor Fielding's report, in recommending the introduction of competitive tendering in this State, particularly the integration of taxis and private buses with STA community buses, is a much stronger and more positive approach to the provision of public transit services in this State than is outlined in this corporate plan.

As to the goal and strategy in the corporate plan to adopt the businesslike approach to resource management, it is an aim to negotiate with the unions for employment changes to allow for a more cost effective provision of services. Certainly, the Auditor-General in his report at the end of last year noted:

> The need for improved labour productivity was the subject of comment in the 1988 Fielding report into public transport in Adelaide. In response to the findings of that report the authority in 1989-90 commissioned a review to compare the authority's labour costs/productivity, to similar operations in Perth and Brisbane.
>
> Depending on the results of the initial review, the authority may extend the project to cover all aspects of the authority's operations and concentrate on the utilisation of labour and associated work practices.

I trust that that report has now been completed. I believe that it would be in the public interest for it to be tabled by the Minister in responding to this motion. I am concerned that, in relation to all that work and the expense of a consultant who has been employed by the authority over the past two years, this corporate plan simply envisages that certain areas/functions/work practices will be evaluated and 'if productivity can be improved changes will be negotiated with employees and unions'. It is envisaged that the following items will be considered for evaluation: the use of conductors on trains.

I do not know what that means. We have guards and used to have assistant guards, but I am not sure what is meant by the use of conductors on trains. It goes on to refer to the use of part-time employment in rail, the introduction of split shifts for rail personnel, the use of ticket queue sellers—I think this is the subject of the stop work meeting today—the location of ticket vending machines, the possibility of contracting out work which the STA cannot perform cost effectively and which is not central to its prime business of transporting people, and various work practices and customs that cause inefficiencies to occur.

All these important matters, which have been discussed in the Fielding report and earlier in the Collins report, are recommended by the Auditor-General in his last report as areas of the greatest potential for direct real savings; and still they are matters in the corporate plan merely for consideration and evaluation. That is quite an amazing concession and is rather disheartening in terms of the progress made to date.

I conclude with those remarks and look forward to hearing the Minister's responses to my comments on the STA's corporate plan 1990-94 which was released on Monday.

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

LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.
(Continued from 14 February. Page 2930.)

The Hon. ANNE LEVY (Minister for Local Government Relations): In closing the second reading debate on this Bill, I thank honourable members for their contributions. This Bill seeks to incorporate principles of public administration and personnel practice in the Local Government Act to apply in the local government sector. It is particularly significant that these principles be included in the Local Government Act at this time, when the role of local government as a key local decision maker reflecting the needs of its community is being fully recognised and a new relationship between the local government and State sectors is being developed. The Premier and the then President of the Local Government Association agreed to work together in a new relationship through the memorandum of understanding which certainly recognises the sector as a responsible sphere of government.

A negotiation process will continue over the next 18 months to determine relevant functions, financial relationships and legislative responsibilities. With this changed relationship it is increasingly important that the sector and the community has a guide to the operations of the sector and is assured of the principles under which it operates. It is, of course, only this Parliament which can give local government its legislative framework.

The Hon. Mr Irwin referred to such principles as being unnecessary and a waste of space, which suggests that he did not consider it important that there be a framework for the responsible operation of this sector of government. Apparently he does not recognise that such an enabling framework provides for the general competence of councils, to which he has referred. They need a legislative framework for their actions to have any validity. This framework will provide that the sector will determine the need for what is common prescription for all councils and for the diversity of differing council circumstances. We recognise that, while there are common matters for all councils, there is also great diversity between councils.

The principles and objectives in the Bill are those which, during consultation with the Local Government Association, were submitted as those which it seeks to achieve. The Bill recognises the local government sector as a public sector in its own right with the responsibilities of such a sector. As the Hon. Mr Irwin noted, the Local Government Association has a policy on human resources in the sector. This legislation is giving status to the principles of that policy and the principles of the sector more generally, providing both a guide and a standard to which the sector and the community can look for the operation of local government.

The Local Government Ministers' conference, nearly two years ago in 1989, agreed that such frameworks should be established in legislation, particularly in relation to personnel practices. Victoria has already legislated and included such principles in its Local Government Act. New South Wales is currently reviewing its Act to incorporate such

principles, as is Western Australia, and the Queensland Local Government Minister has told me that he hopes, likewise, to amend his Act in the not too distant future.

It is appropriate, under the memorandum of understanding, that a framework be set for the operation of the local government sector. As the Hon. Mr Irwin noted, the sector should be able to operate efficiently and flexibly within that framework, making its own decisions about the extent of common prescription and allowing for diversity for different council circumstances. This Bill has been framed so that it provides that those elements requiring prescription in the form of regulations are to be developed in the Local Government Services Bureau, whose management committee, I need hardly remind honourable members, has a majority of local government sector representatives.

Given the negotiation process that is currently occurring, I felt it appropriate to introduce this legislation and to allow it to lie on the table during the Christmas break in order for further consultation and negotiation to occur, despite the considerable negotiation and consultation that occurred earlier last year, before the memorandum of understanding was signed.

Perhaps I should emphasise that the State Government has no desire, and certainly no wish, to manage local government. We believe that local government is able to manage itself. However, the State does have a clear and inescapable responsibility to ensure that the legislative framework for local government and the self-management mechanisms within local government are effective and, of course, that the public interest is protected by them. The memorandum of understanding is quite explicit on that point.

I also emphasise that at no stage has the Government said that it will, as a result of the memorandum, walk away from its responsibilities in local government. We have agreed to limit our concerns to evolving a legislative framework and mechanisms which allow for self-management. Of course, we will be taking a great interest in what these mechanisms are to ensure that they can operate in the public interest. To do otherwise would not be accepting the responsibilities of the Parliament to determine the basis on which the local government system operates.

What we have done in this Bill is restrict the legislative framework to principles, to mechanisms which are operated by local government and which match current good practice within local government. Where change may need to occur in the practice of some councils, we will provide maximum flexibility so that the style and pace of change is in local government hands. This is a quite new approach to legislation and one that is not universally admired in the public sector and in the Parliament. However, of course, the alternative is more prescriptive and detailed than the requirements that have been common in the past. It was as a result of the memorandum of understanding that this Bill was completely recast from its original form to remove the prescriptive elements and to make it a statement of principles. Some may say that they are just motherhood principles, but I think it is important that they are part of the framework for local government.

I refer now to the equal employment opportunity provisions of the Bill. Speakers in the debate have correctly observed that local councils are subject to State equal opportunity legislation. By this I think they are inferring, mistakenly, that the provisions in the Bill before us duplicate responsibilities under that Act. This claim has also been erroneously made in other quarters. However, the Equal Opportunity Act relates to specific incidents of discrimination and harassment, not to performance in relation to issues such as work force structure, training access and practices which include specific groups from council work forces.

Currently, the local government sector is the only sector of the Australian work force that is not subject to legislation for equal employment opportunity performance. The Commonwealth affirmative action legislation covers the entire private sector of this country. It also covers statutory authorities and tertiary institutions. The Commonwealth public sector is required to implement programs and to monitor performance in this area, as is the State public sector. So, alone in the Australian work force, the local government work force is not covered, as yet, by such provisions. It cannot be regarded as anomalous to apply to them what currently applies to the rest of the Australian work force.

Members may be interested to know that I have approved the employment of a consultant, who will be available to assist the local government sector in relation to the principles of the Bills as a whole, including, of course, the equal employment opportunity provisions. It is quite appropriate that principles of equal employment opportunity be included in legislation which is enabling legislation for a sector of public administration.

The structure of the work force in the local government sector has not altered to reflect the improving role of specific groups in the work force as a whole, despite the efforts of some councils. The experience elsewhere in Australia has been that voluntary introduction of equal employment opportunity programs has not been effective in altering the structure of the sector work force. As mentioned previously, the 1989 Local Government Ministers conference agreed to provide legislation for these principles for the whole sector. New South Wales had taken a voluntary approach with pilot programs between 1987 and 1990. It has recognised that this is not adequate and its Act, as mentioned before, is now being reviewed.

The Hon. Mr Irwin cited figures relating to the position of women in council work forces, implying that their position is very good. This illustrates a frequently found lack of understanding of the principles of equal employment opportunity because, overwhelmingly, women in council employ are in traditional occupations and are not in positions recognised as being responsible for decision-making. Equal employment opportunity provisions apply not only to women, of course, as correctly noted by the Hon. Ms Laidlaw. The position of other groups in the community in relation to their participation in employment in the sector is far worse than that for women. I refer here, of course, to Aborigines, to people of non-English speaking background and to people with disabilities.

Since the introduction of the Bill prior to Christmas, I have received a number of requests to include equal opportunity performance principles for elected members of councils.

The Hon. Diana Laidlaw: Where did that come from—elected members or from local government—

The Hon. ANNE LEVY: It came from a number of councils.

The Hon. Diana Laidlaw: Councils? Staff or council workers?

The Hon. ANNE LEVY: I think they were motions passed by council; certainly, they came from elected members of councils. While I sympathise with these views, the Bill before us is seeking to incorporate a framework for the administration and personnel practice of the work force in local government; it does not relate to elected representation. As I say, while I am sympathetic to these requests, I

do not see how they could be incorporated readily into legislation. Efforts certainly have been ongoing to improve the representation of specific groups, as elected members.

A project was begun in the then Department of Local Government to encourage participation as members on council of Aboriginal people. With the new relationship between State and local governments, this project is continuing, but from the State Department of Aboriginal Affairs. There is currently one Aboriginal member of a council in South Australia, who is retiring at the May elections. I am sure many people here would join me in hoping that the May elections will result in greater representation of this group, particularly in council areas where its proportion in the population is considerable.

The equal employment opportunity provisions in this Bill do reflect the new relationship between State and local government. The principles only are outlined, and the sector itself will be responsible for the specific requirements under these principles, by way of regulation. The Local Government Equal Employment Opportunity Advisory Committee comprises representatives of the sector, along with the expertise of the Commissioner for Equal Opportunity. Councils are responsible to the sector and their communities through the advisory committee for the improvement of employment opportunities and the participation of specific groups in their work forces.

As a sphere of government, the sector should not be required to report to me as Minister on the specific mechanisms and achievements in relation to personnel practices, but be entrusted to uphold the principles in their own framework. For this reason, with regard to equal opportunity programs, there is no reporting to government, no reporting to the Minister, but merely advice and help through the advisory committee and the reporting to each community through its council.

I make a few remarks on the functions of the Local Government Equal Employment Opportunity Advisory Committee. The Hon. Ms Laidlaw sought clarification of the role of this committee in relation to the setting of objectives of councils. The Bill provides for councils to develop and implement equal employment opportunity programs to ensure that all persons have equal opprtunities with others in securing employment with councils and also subsequent promotion or advancement and in other respects, for example, access to training and opportunities for broader experience. The advisory committee has the role of advising and assisting councils in developing programs in such a way that councils can determine their own progress. The advisory committee can provide guidelines, objectives and other such information as will assist councils in the implementation of these programs. As with other specific requirements allowed under the Bill, the sector itself will determine their nature through the regulations.

Both the Hon. Mr Irwin and the Hon. Ms Laidlaw inquired about support for the advisory committee, wanting to know whether the local government sector would be responsible for its funding, but I can assure them that executive support for the advisory committee will be provided by the Equal Opportunity Commission itself, through the transfer of a position from the Department of Local Government. That occurred last week when the Department of Local Government ceased to exist.

Further resources are available for work in the sector from funds that were previously committed to equal employment opportunity work with local government, through the Local Government Department. These funds will be administered by the Commissioner for Equal Opportunity in consultation with me as Minister for Local Government Relations. It is envisaged that these funds will be used for the provision of information, assistance and guidelines to councils about equal employment opportunity programs and any training that they may wish. We have not sought any additional financial support from local government itself although, of course, it would be welcome, if offered.

The Hon. Mr Irwin sought clarification of the expiry of the life of the advisory committee after June 1996. I hope I do not have misplaced confidence, but I feel that the sector is capable of initiating change in relation to equal employment opportunities within that five year time frame and that an ongoing process is probably inappropriate, given the development of a new relationship with the sector. The advisory committee can advise on further requirements for EEO, should it consider any are necessary after that period.

The Hon. Diana Laidlaw: So, it is just an arbitrary date? We couldn't work out whether there was any direct association with any other Federal legislation.

The Hon. ANNE LEVY: Of course, other legislation is ongoing, but the sunset period was picked as a time in which one could expect progress to be made. In one or two years any progress may not be fixed and could revert, but five years was an adequate time to effect change where necessary. I suppose there was also a reluctance on the part of the Government to commit resources beyond that time. Of course, if the Local Government Act is to be completely recast as a result of negotiation processes now taking place, this section would be reviewed along with the rest of the Act and that, I would hope, is obvious to everyone.

I wish to respond to the Hon. Mr Irwin's claims that equal employment opportunity principles conflict with the principle of merit. Indeed, some quarters have put to me that EEO means that councils will not be able to appoint the best person for the job, but this is totally fallacious.

On the contrary, EEO principles extend the talent and experience available to councils from which they can choose, and the merit principle is a cornerstone of the Bill. The Hon. Mr Irwin seemed to feel that preference clauses negotiated in the sector conflict with merit. I do not believe there to be any such conflict. In State Government employment, the merit principle is firmly enshrined in the GME Act, and there has been no conflict whatsoever with unions regarding awards or their application. In local government, union membership is at the highest possible level, higher than in State Government. There are virtually no non-unionists employed by local government. We should note, of course, that awards are negotiated within the local government sector and are the responsibility of the sector itself.

I would like to say a few words about the sections relating to council auditors and professional accounting bodies. I thank the Hon. Mr Irwin for his recognition of the extent to which this Bill provides further for the empowering of the local government sector through the repeal of a range of State assessments and ministerial approvals, which were required previously in relation to officers and employees. However, this Bill is not a review of qualifications for positions in the sector but merely provides for the removal of State Government intervention. Accordingly, in relation to the office of council auditor, a matter stressed by the Hon. Mr Irwin in his address, I have no wish, at this stage, to alter the qualifications for that office. We are merely trying to provide another method of ensuring that standards are maintained without the State Government having to act as a watchdog. We are seeking to provide the local government sector with a mechanism by which standards can be maintained by reference to the relevant professional bodies without State intervention. We trust the professional bodies

to maintain professional standards amongst their membership.

There has been concern in some quarters that membership of the National Institute of Accountants has not been included as a suitable qualification for the office of council auditor as well as, as stated in the Bill, membership of the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia. Advice I have received indicates that membership of the National Institute of Accountants does not necessarily require qualifications equivalent to those regarded currently as necessary.

The New South Wales Public Accounts Committee recommended in its report on the auditing of local government in January of this year that accreditation of council auditors be the sector's responsibility through membership of the relevant professional bodies. The committee listed only the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia as the appropriate memberships.

I repeat: the intention is to remove State regulation of the office, not to alter the standard. For that reason, the National Institute of Accountants has not been included. Should the national institute be able to demonstrate a membership structure which maintains the level of qualification for the office of council auditor, I should be happy to consider a later amendment to the Act to take account of that matter. Certainly, wider consideration of financial responsibility and auditing is likely to occur as part of the negotiation process between the State and local government sectors. I thank the Hon. Mr Irwin for his concern that the sector should have appropriate operating principles and standards for auditing as for personnel practices and administrative procedures.

In closing this debate, I indicate that about 48 hours ago I received requests from the Local Government Association for certain amendments to the Bill, despite the fact that the Bill has been before the Parliament since a fortnight before Christmas. However, I am infinitely flexible and understanding, and I have had discussions with the Local Government Association yesterday and today and faxes have been flying between us. I hope that very shortly there will be some amendments on file—I think that Parliamentary Counsel is coming up the home straight at the moment—and if they are put on file this evening we could perhaps proceed with the Committee stage tomorrow. I should stress that all the suggestions made by the Local Government Association were not acceptable to me, but with further discussions and rewording of certain clauses I hope that a suitable compromise can be found that is acceptable to both sides. I thank members for the attention and care that they have given to this important piece of legislation.

Bill read a second time.

WORKERS REHABILITATION AND COMPENSATION ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from 21 February. Page 3114.)

The Hon. R.J. RITSON: The workers compensation and rehabilitation scheme (WorkCover) is fundamentally handicapped. It was conceived out of ideology, modelled on similar failures elsewhere, introduced without proper costing and has performed like those similar failures elsewhere. The Government, in introducing this Bill, is in some ways attempting to rein in and control some of the cost breakouts. To that extent, members on this side of the Chamber welcome the Bill, support its second reading and encourage the Government to withstand any union pressure to weaken.

Nevertheless, there are some aspects of the Bill that we find ourselves dissatisfied with or rather curious about, and largely they will be dealt with in the Committee stage. My colleague the Hon. Trevor Griffin has quite broadly canvassed all those matters and doubtless will pick through them one by one in Committee.

I want to address myself to one aspect of the Bill, namely, the medical aspect, because it does introduce matters controlling the medical cost of the scheme. I have no doubt that the medical cost has escalated under this scheme. From memory, under the old workers compensation scheme, the medical cost was approximately 7 per cent of the total cost, and I think in the first year of the operation of WorkCover it started at about 8 per cent, and it has increased very substantially since then. I have some personal experience of this because, as a general practitioner, I work several hours a week in various practices around town and as I move about I observe billing practices.

The Hon. R.I. Lucas: And other practices.

The Hon. R.J. RITSON: And other practices, yes. I want to make a few remarks about this. First, as far as general medical practice is concerned, WorkCover Corporation has negotiated with the Australian Medical Association, South Australian Branch, and from the very early days of the scheme there has been an agreed scale of fees that WorkCover made sure patients would be charged. It accords with the AMA item numbers which the AMA believes should be charged generally for its services.

In saying this, I recognise that a number of practices substantially reduce the fee or accept the Medicare rebate in total satisfaction in relation to patients who are not compensable and who have a limited ability to pay. To that extent it can be said that WorkCover patients are charged more than other patients at times, but that fee is not blown up because it is WorkCover: the WorkCover organisation has agreed to pay the full fee, whereas the Commonwealth Government, through its Medicare scheme, has, year after year, restrained the rebate until it is now very substantially behind the recommended fee. I have not found in any of the practices in which I have worked that the general run of consultations have been charged in excess of the fee. Therefore, I am a little bit surprised at the extent to which this Bill goes in attempting to control the fees.

There is money leaking. In my view it leaks around the fringes and it leaks in relation to the chronic entrenched case, often in cases where there is a depressive overlay on top of physical injury. It may leak in terms of a tendency to see the patient continuously when in fact the patient is entrenched in a state of invalidity and the repeated consultations are not contributing to recovery. It may leak because an occasional practitioner may dabble in matters which are not traditional orthodox medicine and which almost come into the field of alternative healing, such as herbal and other various remedies in relation to which one might question whether they amount to the practice of medicine as we know it at all.

As I say, in the practices in which I have worked I have not found any examples of charges which exceed the fee as agreed between the AMA and WorkCover Corporation. In fact, the agreement between the two organisations that is formalised to some extent by this amending Bill does require continuing agreement in the fee-fixing process.

I point out that the medical profession would question the whole idea of whether this is a fee-fixing procedure or a rebate-fixing procedure. Although as an administrative

practice the WorkCover Corporation has combined the certificate of sickness form with the space on the form for details of payment. To the extent that it amounts to direct billing with the corporation sending the fee direct to the doctor. In fact, the financial relationship is primarily between the doctor and the patient and it is a matter of administrative convenience that it is paid direct to the doctor by the insurer.

The situation as I see it is that, if the insurer does not feel that it should pay part of a fee because that fee is excessive, then by all means the insurer has the right to set its level of rebate or compensation. It is a matter between the patient and the insurer as to the level of rebate; the fee is a matter between the patient and doctor. It is my view that, if fees are charged excessively, the WorkCover Corporation is morally entitled and should become legally entitled, if it is not already, to withhold the portion of the fee that it considers excessive from the patient or, if it is direct billing, from the doctor. But, that is a very different matter from controlling the fee, from saying that the fee for a certain procedure or a certain length of attendance should be a certain amount.

Indeed, this Bill goes beyond purporting to control the fee rather than control the rebate by giving the corporation the right of recovery of fees from the provider if the corporation considers the fee unreasonable. There are already other ways of assessing reasonableness of the fee. The Medical Board has statutory powers to deal with excessive fee structures just as the courts do concerning lawyers.

The medical profession would be anxious about that aspect of the Bill as it now stands and would envisage an adminstrative officer looking at perhaps a fee charged for an operative procedure that was significantly higher than the AMA fee generally for that procedure. I sound a caution because, if they are going to produce an administrative system which simply withholds the excess of that fee or which proceeds legally against the provider without properly ascertaining the reason for that level of fee, it may be that certain providers with exclusive skills for special procedures who can justify that fee will simply walk away from WorkCover.

I know now, and I think the WorkCover officials know this well, that a large number of orthopaedic surgeons in this town will not see compensable patients. When I refer them, the receptionists just says, 'I am sorry doctor, Mr So and So will not see compensable patients.' I cannot get past that. I know which orthopaedic surgeons will still see compensable patients. I do not think that the system is leaking money into the orthodox hard core of medical practice, but I believe that it is leaking around the fringes.

I believe that there is an alternative approach that WorkCover can take. It is an approach that has already been taken by the Department of Veteran's Affairs. I will talk a little about veterans affairs or repat (as it used to be known), because repat used to be a very soft touch. I used to have patients coming along for a prescription for more Vegemite, because it contains vitamins and they were vitamin deficient during the war. Milo was also on prescription. There were all sorts of items and it is human nature to fill a vacuum. If the opportunity is there and if everyone else is doing it, people hop into it.

The rehabilitation or veterans affairs' practice now of requiring prior approval for certain types of treatment could have a place in the scheme of things in WorkCover and, instead of simply getting a financial census ruler and putting a horizontal line through the system and saying that every charge above a level is excessive, the fringes should be looked at. Should one automatically be able to refer a patient for a year of lazer acupuncture, or refer a patient to the thermologist weekly?

There are a number of fringe therapies that are capable of being administered daily, weekly, or almost forever, on a patient with a long-term injury, and WorkCover might well look at the approach taken by Veterans Affairs', to look at the sorts of treatment that seem to be costing a lot repeatedly in patients who are not getting better and who require prior approval. It is no terrible difficulty under the veterans affairs' scheme to get out its pad of blue forms and send off to request approval, which comes back fairly promptly in the mail with authority for a certain sort of treatment, but it does give some control and oversight to the scheme, which is a little bit different from the horizontal accountancy slice and fees overall.

They should look at where it is leaking and try to have the provider or the referrer to the potential provider give the reasons for the need for that treatment before it is embarked on. The New Zealand Accident Commission has done this and a number of treatments carried out under that scheme also requires prior approval. I have seen that in action at the clinical level. We can talk more about that in Committee, in any case, and see whether some slightly more sensible containment of costs can be made than that in the Bill or, at least, if the Government has its advisers present in the Chamber at that stage then, through the Minister, we can get their ideas and see whether we can come up with some amendments undertaken in the spirit of the Bill, because we welcome the Bill in total. We can try to get that aspect a bit better.

As to the question of the leaking of money, I know that this is true, from discussions with the perhaps less than exalted members of WorkCover: but people who work in middle management in WorkCover Corporation who freely admit that the Government is costing them an arm and a leg through excessive charges levied by hospitals on compensable patients, which is the matter referred to in terms of the disallowance motion. Sometimes patients are disturbed—even though it is costing them nothing from their own pocket—when they see the charges made in their name. A patient of another doctor came to me as a political doctor some time ago and showed me his finger. He had a trapdoor flap of skin raised on the finger when working with a machine. He went to public hospital X where, after the statutory two-hour wait, he was seen by a doctor for a fleeting moment only.

The doctor explained that stitching was not suitable and advised a dressing, which the nursing sister applied, and he was duly sent on his way. The account that he received at that time—it was several years ago now; I do not remember the year, but I remember the finger very well—showed that his employer was charged $90 for that very brief examination and light dressing—virtually a band aid. When I saw his finger the result was not too good, because the flap was not viable; it was sloughed. It should have been skin grafted, but it had been left to granulate, and he was still not back at work five weeks after the injury. Had he gone privately, I think that it would have been grafted; but in a busy public hospital it gets the band aid.

The fee for the equivalent examination and attendance now is $150. For $150 now one can have a band aid from casualty, and that is the minimum. The most expensive item for consultation in the book for a specialist in the practice of his specialty, seeing a patient at length, or for an hour, is a good deal less than $150. My inquiries at the time of the saga of the finger that should have been grafted, but was seen for two minutes, revealed that it was not examined by a specialist in the practise of his specialty; it

was a trainee gynaecologist who was on casualty that night. Perhaps the surgeon was over the road working in McDonalds to make up for his meagre wages, but I do not know!

We have the Government receiving Commonwealth money to run its system and then charging other quasi instrumentalities of Government; and the biggest are WorkCover and SGIC, the latter carrying third party liability for motor vehicle accidents. Therefore, we have the Government in its North Terrace manifestation charging heaps more than the best specialist in the world for a simple consultation to another Government instrumentality, which then turns around and dumps the cost not back on the general taxpayer, in the case of WorkCover, but on the employer, and it goes on to the cost of production. At a time when Paul Keating up in Canberra is yapping about the deficit and our inability to compete in overseas trade, we are dumping these costs on to the cost of production.

I wonder whether the WorkCover Corporation feels bound to pay what the hospital charges. Private fees are negotiated between the corporation and the provider. Has the corporation negotiated with the public hospitals? Indeed, can it negotiate? We have a set of regulations, on which I spoke earlier and which state that as a matter of law the fee shall be approximately $150. These and other matters are for the Committee stage, as are the other matters which were canvassed by my colleague the Hon. Mr Griffin. We will deal with those matters at that stage. Having said that, I support the second reading.

The Hon. L.H. DAVIS: I have a sense of *deja vu* in rising to speak on workers compensation tonight, because it was just four years ago that workers compensation was debated at length with some passion in this Chamber. The predictions made by the Liberal Party at that time have come true, sadly, to the cost of employers in South Australia who are paying the highest premiums of any employers in Australia.

We face the grim prospect of a blowout in the unfunded liability of WorkCover. Not to our surprise, we find rorts and difficulties in the adminstrative framework of WorkCover. Indeed, even as we speak, a select committee of the two Houses is examining WorkCover. My colleague the Hon. Ian Gilfillan, the Hon. Terry Roberts and I are members of that select committee, which I imagine will meet for at least the balance of this year. Without going into detail, the evidence to date on the record is of interest.

Much of the information which is pertinent to this Bill has been canvassed by the Hon. Mr Griffin. Indeed, the admissions in the second reading speech by the Minister, the Hon. Ms Levy, are interesting, because they confirm the inadequacies of the present scheme. The fact that the Bill seeks to make major amendments underlines many of the defects that we predicted would be inevitable with the introduction of the scheme as it was first drafted.

The WorkCover Corporation 1990 annual report admits to some of the problems in the scheme. It mentions the fact that a new computer will have to be introduced into WorkCover, which will be operating by mid 1991, and will cost $12 million over five years. Clearly, the existing computer has been inadequate in administering the scheme and in detecting the fraud which has taken place in those opening years of the scheme. The 1990 annual report confirms that claim numbers in the last financial year, 1989-90, have increased by 11 per cent over the 1988-89 figures.

It is admitted that this is well above actuarial projections of an expected growth rate of only 4 per cent. The Chief Executive Officer, Lew Owens, in his report admits that 'this record [that is, the 11 per cent growth rate] cannot be allowed to continue'. In the report, presiding officer, Mr Les Wright, admits that deficiencies have been identified in claims management and rehabilitation processes for serious cases, and remedial action has been taken and is continuing across a broad range of fronts, as outlined in the report. So, the problems of WorkCover go on.

Quite clearly, the present management of WorkCover has endeavoured to redress some of the problems that exist. However, it is a bit like a teacher in the fourth term of a year trying to get strict with students whom he has let run riot in the first three terms. That really is the analogy that I think can be argued in the case of WorkCover Chief Executive Officer, Lew Owens, and his staff of very enthusiastic and, I am sure, competent officers, face an enormous problem in trying to right this lurching ship called WorkCover.

The presentation to the select committee by Mr Lew Owens underlines some of the problems faced in the current scheme. He stated:

> The high level of benefits available in South Australia places greater pressure on WorkCover to control claims expenditure relative to other States.

That in itself, of course, directly reflects on to the higher premiums being paid by employers in South Australia; that feeds into employment costs and impacts on the competitive situation of South Australian employers versus their interstate counterparts.

The WorkCover scheme, as of now, has 57 000 employers at 75 000 locations. It is collecting almost $285 million in levy from WorkCover employers and some $7 million from exempt employers. As I mentioned previously, the average levy rate in 1990-91 is 3.7 per cent of remuneration. That is much higher than was promised at the time the scheme was first introduced, notwithstanding the assertions that the Liberal Party made at the time that the rates would inevitably have to rise given the generosity of the scheme.

There are 57 000 claims each year—250 a day—of which about 23 per cent receive weekly income maintenance from WorkCover. In 1990-91, WorkCover paid out almost $170 million in benefits and other expenses for claimants injured between October 1987 and June 1990. There are 588 people working for WorkCover: 471 permanent and 117 temporary—an enormous number of staff.

As my colleague the Hon. Trevor Griffin mentioned, the shortfall in the scheme, which was meant to be fully funded—at the insistence of the Liberal Party—as at 30 June stood at $150 million. However, since that time, there has been a blow-out in that shortfall, and the figure now stands at some $198 million. Mr Lew Owens, in his address to the joint select committee, stated:

> The rapidly deteriorating economy is now causing a direct and significant negative impact on the scheme, with levy income at end December 1990, $7 million below budget and investment income $18 million below. We expect this trend to continue.

The Hon. I. Gilfillan: It was reducing the claims as well.

The Hon. L.H. DAVIS: I am not sure about that.

The Hon. I. Gilfillan: He said it was.

The Hon. L.H. DAVIS: Yes, but I am not sure about what impact that has on the overall—

The Hon. I. Gilfillan: If you reduce the claims you reduce the cost.

The Hon. L.H. DAVIS: That is a matter which we cannot resolve in the short term because, if those claims run on, it may well not reduce the cost. As unemployment grows it is expected that the trend will continue and worsen for the rest of the year, based on the prevailing economic forecast. So, the actuarial estimated operating deficit to 31 December 1990 was $48 million over budget. In other words, there

was a $48 million deficit over and above what was budgeted for the six-month financial period through to the end of December 1990. The estimated shortfall to date is $198 million. This excludes the effects of the second year review process to approximately $72 million if the second year review results are maintained and supported by court interpretation.

So, we are seeing a continuing blow-out in the budget. Last year, just to underline the point, we had an 11 per cent increase in claims incurred against what was meant to be a 4 per cent increase, a higher than expected proportion of claims with compensated days lost and no improvement in return to work rates of long-term claimants.

One of the other points that emerged in the WorkCover annual report was the fact that 50 per cent of all injuries in any given period are incurred by workers who have less than 12 months service in a particular job.

All those things taken together, of course, highlight the enormous financial figures involved in WorkCover and underline the enormous challenge facing the WorkCover board and the executive officers in meeting the challenge of this system, which was introduced just four years ago. The Bill now before us admits tactily to the shortcomings in the legislation when it was introduced. The second reading explanation states that the Bill is 'aimed at tightening the administration of the WorkCover scheme, clarifying the interpretation of the Act and restoring or reinforcing the original intent of the legislation'. It seeks to review the amount of weekly payments being made to a worker where the employer believes that reasonable grounds exist for discontinuance or reduction of weekly payments. It seeks also to provide more effective involvement of employers in the management of claims and contribute to the early return to work of their injured workers, given that rehabilitation is a cornerstone of the legislation. The Minister, in the second reading explanation, also said:

> Another important issue addressed in this Bill is that of fraud. At present any prosecution in relation to an offence under the Act must be commenced within six months.

The Bill proposes to extend that time to three years. The second reading explanation further states:

> The issue of overcharging and overservicing is a matter of major concern to WorkCover. The concern in this area relates to all service providers including rehabilitation as well as medical and related providers. This Bill accordingly contains provisions which will enable the corporation to reduce or disallow a payment for a service . . .

in certain circumstances. It then spends some time discussing what is to be taken into account when determining a worker's average weekly earnings, again highlighting a point that we debated at length when the Bill was first before the Council, namely, that overtime would be a positive encouragement to people to stay away rather than return to work. Of course, that has proved to be the case. Then, there is the problem relating to exempt employers, who constitute some 40 per cent of all employers. It is intended that maritime employers will be able to apply to become exempt employers. There are also a number of other matters to which I will refer in a minute in relation to exempt employers who, I think, can quite justifiably argue that they are being disadvantaged by the current legislation and by the intended amendments.

So, WorkCover is a pretty sorry saga. It is the most expensive scheme of all in Australia, in a State which for many years boasted being the lowest cost State of Australia. It is, as my colleagues have said, a Committee Bill, and I do not want to delay the Council at this time to debate at length, except just to cover a few matters relating particularly to exempt employers, whom I see as being disadvantaged by these proposed amendments. Exempt employers are certainly greater in number here than in other States. Forty per cent of the State's employees are employed by exempt employers. These exempt employers are not in competition with WorkCover; they have worked in a cooperative fashion with WorkCover to achieve service delivery and to assist people to return to work. They accept that they have to meet standards; they are subject to audit and they have an obligation to the community, to their employees, and to the economy to make workers compensation work. Quite reasonably, they believe that the standards that should apply to them with respect to the administration of WorkCover should be no better or worse than those under which WorkCover itself operates.

The real concern that the exempt employers have is not about undergoing a proper audit or in pursuing the highest possible standard, but the fact that the requirement for them will simply be so high, so unrealistic, so complex and so administratively costly that it will really be a drain on their time and resources. They would quite clearly prefer to direct their money and their time into helping their employees return to work, ensuring that their high standards are met, to what I think are the fairly onerous audit requirements that are applicable. In particular, I refer to the amendment to section 60 of the Workers Rehabilitation and Compensation Act, regarding claims administration performance standards, which require that claims administration staff shall be employees of the company. It is not clear whether this performance standard relates to existing exempt employers, but it certainly seems odd to me to require exempt employers to employ administrative staff rather than to allow them to contract administrative services from organisations.

Certainly, in Victoria, which has grasped the nettle and tightened up on its WorkCover in a dramatic fashion, the role of expert contracted employees has been well recognised and, in fact, my understanding is that it has been increased. There are some groups, such as risk management services, that have become specialists in what is indeed a very specialist area, and I do not see any reason at all why employers cannot contract out to a specialist group such as that, rather than perhaps sometimes use someone within the firm who may not be as professional or expert as the outside consultants.

So, the intent of the WorkCover Corporation to demand of all exempt employers that they should cease using any external administrative services by July 1992 is pretty unrealistic. It really does beg the question whether the role of outside consultants in South Australia and other States has been looked at. Is WorkCover saying that these outside consultants are not doing the job or are too expensive? There appears to be no good reason for its argument. Why should such a requirement be introduced? One can look at many examples of major, public-listed companies that retain the services of outside consultants. We can talk about an ongoing role in public relations, advertising, communication, negotiation and management structure where, rather than retain someone on a permanent basis within the organisation, the firm contracts out to a specialist organisation.

So, clearly, I would have thought, exempt employers should have that option of being able to have administrative contracted providers from outside the organisation with their expertise that can only benefit the employer in the efficient handling of claims, and perhaps in some cases cutting down the costs of workers compensation. If this requirement is enforced, it will make it more difficult for employers who wish to apply for exempt status. There is the question of course that skilled staff may not always be available for

employment immediately within an organisation. Companies could be forced to take on new employees in this difficult economic environment when they do not wish or cannot afford to take on employees; it may be financially more prudent for them to contract out this requirement.

Of course, the exempt employers will still be liable for any default of a contracted administrative services provider, just as they would be if the internal employee did not perform his duties. So, that is one area that again underlines the financial naivety and ineptness of the Bannon Government, namely, this ignorance of how the real world works. The Government has failed to recognise that there are niches of opportunity for specialists who can be retained by companies to provide services in a variety of areas such as advertising, negotiation and this particularly specialist area of workers compensation.

So, I think that this Bill is an admission of failure. It is an admission that there are severe problems with the Workers Compensation Act. Whilst no-one doubts that with such a complex and large scheme there will have to be some legislative review from time to time, the nature of the Bill before us is more than just a tinkering at the edges, it is a very limp recognition by the Government that the initial Bill passed by this Council with very stern opposition from the Liberal Party is failing in the most fundamental way possible. It is costing both employers and taxpayers of South Australia far too much. This Bill does not get close to the way in which we would like to see the workers compensation scheme reviewed. Certainly, the select committee that is currently meeting will, no doubt, make some recommendations which may in turn be fashioned into further legislation to amend this controversial and costly legislation.

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

FREEDOM OF INFORMATION BILL (No. 2)

Adjourned debate on second reading.
(Continued from 5 March. Page 3186.)

The Hon. R.I. LUCAS (Leader of the Opposition): I support the second reading of this Bill. As the Hon. Mr Davis indicated in his contribution on the workers compensation legislation, the matter of freedom of information legislation has been before the Legislative Council on a good number of occasions in the eight or nine years that I have been in this place. On a number of occasions I have indicated my general support of the principle of freedom of information legislation.

In addressing this Government Bill I must give credit to the Liberal Party and to the Hon. Martin Cameron who, on behalf of the Party, introduced the Bill into this Chamber on three or four occasions. The kindest description of the Government's response to freedom of information legislation without again going over the detail of its record in this area is that it has been very tardy. It has been dragged screaming and kicking into the 1990s with some sort of response to provide freedom of information legislation. Whilst in past Parliaments freedom of information legislation has been passed by the Legislative Council with the support of the Australian Democrats, it has always foundered in the House of Assembly because of the Government majority in that House.

It is no secret that we are seeing freedom of information legislation before the Parliament now because the Government is in a minority position in the House of Assembly and because one of the two Independents, Mr Martyn Evans, is on the public record as a very strong advocate of freedom of information legislation. The Government knew that if it did not introduce a Bill of its own it would be stuck with a Bill supported by the Liberal Party, the Australian Democrats and the Independent Labor members of Parliament. So, the Government has been dragged kicking and screaming into the 1990s with a Bill of its own, but sadly this Bill has been severely castrated.

I intend, during the second reading and at greater length in the Committee stage, together with my colleague the Hon. Mr Griffin and others, to indicate the major problems with the current Government Bill. I also hazard a guess at this stage that whilst we are debating this Bill in March 1991 and whilst it is likely to pass some time this month or early next month, I will be very surprised if we see the Bill in action prior to middle or late 1992. I think the Government will continue to delay and hinder the eventual introduction of freedom of information legislation for as long as possible to ensure that sensitive information that might potentially be embarrassing to the Government cannot be released prior to an election in 1993 or 1994. That is why one of the amendments foreshadowed by the Hon. Mr Griffin, that will ensure that the Act comes into operation within a certain specified time period, is absolutely essential. I hope that my colleagues, the Democrats in this Chamber and the Independents in another Chamber, will see the good sense of this amendment proposed by the Hon. Mr Griffin.

Freedom of information legislation is essential for the effective working of our Parliament and for parliamentary democracy. One has only to look at some of the recent examples, such as the South Australian Timber Corporation, Marineland and the sad and sorry saga of the former Minister of Health (the Hon. Dr John Cornwall) and his suppression of information in relation to a market research survey on drugs and Labor Party popularity, to know that much exists within Government and Government departments which Governments would not like to see the light of day.

They will fight to the very end to prevent the disclosure of information of that sort. It is only after persistent Opposition questioning, perhaps the leaking of documents from within Government departments or the eventual establishment of select committees, such as the select committee into the South Australian Timber Corporation, that the community and the Parliament can eventually have revealed the true facts in relation to some of the scandals that exist within Government administration.

The Bill before us is fatally flawed in many aspects. In my judgment it is the worst of all the Freedom of Information Bills that we have in Australia at the moment or that are contemplated for the very near future. We have legislation in Victoria and in the Commonwealth, and most other States have just introduced Freedom of Information Bills or are actively contemplating the introduction of such legislation. This Bill is fatally flawed because it is designed to prevent access to a considerable amount of information that exists within Government departments. I have no doubt that it has been deliberately designed so as to prevent the release of sensitive and embarrassing information that might exist within Government departments.

On closer examination I think it is fair to describe the Bill as a fraud and as an elaborate political cover up in contemplation. It will be to the cost of the community, to the Parliament and to the effective operation of freedom of information legislation if this Chamber allows the passage of this Bill without substantial and significant amendment. I was heartened, at least in the early stages, by the contri-

bution on behalf of the Australian Democrats by the Hon. Mr Elliott, that Party's spokesperson on freedom of information legislation and its Deputy Leader, who highlighted a significant number of concerns.

My colleague the Hon. Mr Griffin, in his normal meticulous way, has pages of amendments for consideration by the Committee. He, too, has highlighted the significant concerns about the drafting of the Bill. It is absolutely vital that members in this Chamber and in another Chamber, the media and in particular the Australian Journalists Association, and all groups that might be interested in effective freedom of information legislation, get off their collective butts and become active in relation to what is going on. The sad fact is that at the moment, with the gulf war, the State Bank crisis and various other scandals and crises within the Bannon Government at the moment—

The Hon. Anne Levy: The NCA.

The Hon. R.I. LUCAS: The Minister for the Arts and Cultural Heritage, the Minister for Local Government Relations and the Minister of State Services would well know the scandal of senior appointments within her own portfolio, the operations of Tandanya, the Film Corporation and various other scandals that are within her administration. She well knows that the political imperative exists for the Government to neuter, castrate, emasculate or do whatever it can to prevent this legislation's effective introduction. The Government does not want to see the scandals that exist within its departments and administration released.

The Hon. Anne Levy: What absolute bullshit.

The Hon. R.I. LUCAS: The Minister says, 'What absolute bullshit', Mr President. I do not know whether that is unparliamentary in your judgment.

The PRESIDENT: I think it is unparliamentary. It does nothing for the tenor of the Council. Is the Minister prepared to withdraw that remark?

The Hon. ANNE LEVY: I am quite happy to do so, Mr President, if you suggest it. However, I suggest that it is not usual for interjections to be regarded so seriously.

The PRESIDENT: We accept your withdrawal. The Hon. Mr Lucas.

The Hon. R.I. LUCAS: I was shocked by the profane language that was used by a Minister, albeit a junior Minister in this Government, and perhaps one of not very long duration for the future. Having been educated in Catholic schools all my life, except for my last year, I am not used to such language.

As I said, it is absolutely vital that members, the media, the Australian Journalists Association and anyone else interested in the effective operation of FOI legislation become interested and active in relation to what this Government is attempting to do to freedom of information legislation in South Australia.

I now address in some detail the major concerns that I have with the Bill before us. First, I refer to clause 20, which deals with the refusal of access. It states that an agency may refuse access to a document for a variety of reasons, one of which is whether it is a document that came into existence before the commencement of this section. Let us hear a response or an interjection from the Minister on that one. The Government is seeking to say that every document that exists within Government departments at the moment will not be covered, will not be able to be sought by anyone, under the freedom of information legislation. Not one single document will be released under FOI legislation, because under this clause and related clauses the Government is seeking to say that this Bill will have no retrospective element; it will not cover any of the existing documents within Government departments.

There could be no defence by the Government, the Minister or the Attorney-General of this clause, because all the other pieces of FOI legislation allow access to existing Government documents. At the very least, access is offered to documents of up to five years duration so that from 1991 the public will be able to gain access to documents that go back to 1986. I address the Victorian and Commonwealth legislation in particular because they are of the longest duration in Australia, and one sees that five years is the minimum right of access under those pieces of legislation. I quote from the Victorian Freedom of Information Guideline No. 1, entitled 'Handling Requests for Access'. Paragraph 1.5.7 of that document states:

> Prior Documents: No right of access exists to records more than five years old at the date of commencement of the Act (section 67). Thus any documents dating prior to 5 July 1978 are excluded from the operation of the Act. Documents of any age are subject to FOI if they relate to the personal affairs of the applicants. The retrospectivity provisions of the Act will be reviewed annually by the Public Service Board (section 67 (3)) with the view of extending the period of retrospective access. Moreover, there is an expressed intention that agencies should attempt to make the maximum amount of government information available where they can properly do so (section 16). Agencies should also always consider whether access can be granted even where requests relate to documents dating from before 5 July 1978.

In relation to the Victorian legislation, there is a minimum provision of five years worth of material, but there is an inference or a persuasion within the legislation that suggests to departments and to the Public Service Board that, where possible, information even older or of longer duration than five years can be made available.

There are similar, although not exactly the same, provisions in the Commonwealth Bill. Yet what we have before us here is an absolute prohibition by the Government which says that any documents that exist at the time of the commencement of this new Act are all prohibited from public release or disclosure: none of those documents can be released or obtained by anyone. No clearer example can be given of a deliberate attempt by the Government to prevent the release of information. This Bill cannot be described as freedom of information; perhaps it could be better described as freedom from information.

The Hon. R.J. Ritson: That's the 'time to shred' clause!

The Hon. R.I. LUCAS: Yes—a timely interjection from my colleague. The clause makes an absolute farce of the FOI legislation. I now turn to clauses 43 and 46. Clause 43 talks about the concept of ministerial certificates. Clause 46 (1) provides:

> A certificate that is signed by the Minister and that states that a specified document is a restricted document by virtue of a specified provision of Part I of schedule 1 is except for the purposes of section 43, conclusive evidence that the document is a restricted document by virtue of that provision.

The import of that provision on clause 43 will become more apparent later when I address in detail the definition of exempt documents and, in particular, that category of exempt documents known as restricted documents. The clause says that the Minister, for example the Hon. Ms Levy, can make a conclusive judgment (perhaps one of the few that the Hon. Ms Levy might be capable of making) that a particular document within her department is a restricted document. The decision will be conclusive, and that's it. In clause 43 there is reference to the appeal provisions, under the Act. The clause is headed 'Consideration of restricted documents', and subclause (1) provides:

> A District Court may, on the application of the appellant, consider the grounds on which it is claimed that a document is a restricted document, notwithstanding that the document is the subject of a ministerial certificate.

Subclause (4) provides:

If, after considering any document produced before it, the District Court is still not satisfied that there are reasonable grounds for the claim, the District Court may make a declaration to that effect.

Subclause (7) provides:

A ministerial certficate the subject of a declaration under this section ceases to have effect at the end of 28 days after the declaration is made unless, before the end of that period, the Minister administering this Act gives notice to be given to the agency concerned that the certificate is confirmed.

In summary, clauses 43 and 46 are saying that the Minister, the Hon. Ms Levy, can state by way of ministerial certificate that a document is restricted. Even though someone challenges that in the District Court, even though the appellant wins the case to all intents and purposes by convincing the District Court that it is not a restricted document, and that the Minister is just seeking to prevent the disclosure of certain information through this device of the ministerial certificate, the Minister can still prevent the release of that document and information. Those provisions make an absolute farce of the concept of freedom of information.

Before moving on to the next substantive clause that I want to address—exempt documents—I want to comment on the operation of the Victorian legislation. During recent months my office has been in contact with the office of the Leader of the Opposition in the Legislative Council in Victoria, the Hon. Mark Birrell, who has been one of the best and most efficient exponents of the freedom of information legislation in Victoria. He was a persistent thorn in the side of the previous Cain Government—and now the Kirner Government—in relation to the freedom of information legislation. When we look in detail at this legislation, as we will do in Committee, we will see that this Government has followed with interest the battles in Victoria and has sought to restrict in every shape or form that it can a similar release of information that was made available under the Victorian freedom of information legislation. It does not want a similar circumstance to obtain in South Australia.

I want to quote from a speech given by the Hon. Mark Birrell in 1989 to an FOI seminar organised by the Swinburne Institute on 17 May 1989. It is headed 'Government, Parliament and the "Right to Know" in Victoria'. He stated, in part:

For example, it is now commonplace for departments to 'forget' their statutory duty to process FOI requests within 45 days. The maximum period for responding to a request for access is ignored, with bureaucrats and Ministers holding on to documents for as long as a year in order to discourage applicants.

Of special concern to secretive mandarins and sensitive Cabinet members are people who seek policy documents or files which shed light on the reasons for Government actions . . .

We must also be very wary of FOI requests being 'lost' or 'misplaced'. The Health Department has been a prime offender. For five and a half months it misplaced a request I had lodged for files on the very dubious practices of a community health centre. No effort was taken by the department to satisfactorily fulfil its responsibilities until I lodged a formal complaint with the Ombudsman . . .

Consequently, the outright denial of access to files is an everyday event; not because the documents are genuinely exempt from disclosure but because a long battle in the courts may force the person seeking the information to succumb and retreat.

Further on in the speech, he says:

The legislative action by Mr Cain in 1985 to radically amend the Act was an omen of things to come. At that time the Upper House refused to support the plan to give the Premier absolute discretion to decide whether a document is an exempt 'Cabinet document'.

Obviously that is a similar concept to the ministerial certificate that this Bill includes, where the Minister or the Premier has an absolute discretion to decide whether a document is an exempt Cabinet document or a restricted document. Mr Birrell continued:

It also refused to accept a parallel proposal allowing bureaucrats unfettered freedom to refuse a request that involved a substantial call on the department's resources. In 1987 an alternative avenue was explored—with the Premier introducing regulations which put whole categories of information beyond the reach of the public and which excluded eight Government agencies from any scrutiny over the FOI law.

These attacks were so offensive as to earn the scorn of members of the Premier's own political Party. And they were condemned by independent commentators.

If the regulations become fully operational, they will turn the 'right' to see Government files into a privilege. The FOI law will become an instrument for controlling the public's inquisitive desires, rather than being the vanguard of an open democracy.

They are just a few examples of the Victorian experience in relation to freedom of information legislation and the Victorian experience of a Labor Government seeking any avenue it could to try to prevent the effective operation of freedom of information legislation.

I turn now to the question of exempt documents. In doing so, I remind members of the critical clause (clause 20) which provides:

An agency may refuse access to a document—
(a) if it is an exempt document;

So, if it is an exempt document, whatever exempt documents are, an agency may refuse access to that document. I suppose when we originally thought of what an exempt document was, we might have thought that perhaps there are a few documents within the Government which might be classified as exempt documents. However, when one looks at the Bill, one sees five closely typed pages under 19 separate classifications of what constitutes an exempt document.

Some of my greatest concerns—and I am sure those of my colleagues—relate to the definition and possible interpretation of what might or might not be an exempt document. I have no doubt personally that this provision on exempt documents has been drafted specifically to allow almost any document that the Government so chooses to be defined under one of these 19 classifications as an exempt document and, therefore, prevented from eventual release or certainly hindered to a very large degree, and perhaps only released to those applicants who have the determination and perhaps the financial backing to pursue the matter through the various appeal stages provided under freedom of information legislation.

In addressing this matter, I will comment specifically. It is very difficult, when one talks about the abstract and the general drafting of Bills, to consider some specific examples. However, I want to consider some specific examples, because I indicate here and now that when this Bill is up and running—and, as I said, I suspect that it will not be until mid or late next year—one of the very first requests that I intend lodging will be for the results of almost $1 million worth of opinion polls and market research that the Government has conducted over the past two to three years. As I said, this Government has spent about $1 million of taxpayers' money—not Labor Party money—on market research and opinion polling of a political nature which this Government does not want to see released. This Bill has been specifically drafted to seek to ensure the suppression of information such as that market research material.

Even though it might take members in this Chamber quite some time to get through the Committee stage, we on this side of the Chamber will be doing our utmost to ensure that a majority in the Chamber and, eventually, a majority in the other place, accept the fact that information like that market research, paid for with taxpayers' money, ought to be released and available for release. As I said, when that

first request goes in on day one of commencement of this legislation, that information will be available for release not just to the Liberal Party but to the community at large.

I now refer to the definition of 'exempt document'. Bearing in mind this practical example—which is one of many—in relation to opinion poll and market research figures and any information prepared by consultants for the Government. I now wish to consider the first of 19 classifications of exempt documents; that is, the question of Cabinet documents. If one compares the definition of 'Cabinet documents' in our legislation with that in the Victorian legislation, one sees some very significant differences. As I indicated earlier, I believe that part of the reason for that has been the Victorian experience in relation to the Birrell case, taken through from the Administrative Appeals Tribunal and the Supreme Court in an attempt to get access to market research information collected by the Victorian Labor Government.

The South Australian definition of 'Cabinet documents' has six sections. Under the heading 'Cabinet document' it is stated that an exempt document is 'a document that has been prepared for submission to Cabinet, whether or not it has been so submitted.' If one compares that to the Victorian legislation, it is interesting to note that the comparable provision states that a Cabinet document is a document 'that has been prepared by a Minister'. The phrase 'by a Minister' has been deleted from the South Australian legislation as a result of a Victorian Supreme Court judgment by Justices Murphy, Gray and Phillips in 1987 which, in interpreting the Victorian legislation, caused significant problems for the Victorian Government because it meant the release of certain confidential information. So, the South Australian Government has deleted the use of the phrase 'by a Minister' in relation to that definition.

There are definitions of Cabinet document with which all of us would concur. Certainly, I am sure that no-one in this Chamber would want the public release of what we would deem to be genuine Cabinet documents. Consequently, I have not gone over those particular sections of the definition. However, subclause 1 *(f)* provides that a document is an exempt document 'if it is a briefing paper prepared for the use of a Minister in relation to a matter submitted or proposed to be submitted to Cabinet'. There is no such similar definition in the Victorian legislation. On the contrary, there is provision with an almost opposite meaning. Section 28 (5) of the Victorian Act provides:

> Subsection (1) does not apply to a document by reason of the fact that it was submitted to the Cabinet for its consideration or is proposed by a Minister to be so submitted if it was not brought into existence for the purpose of submission for consideration by the Cabinet.

So, the Victorian legislation provides that a Cabinet document is a document prepared for consideration of Cabinet, and it was brought into existence for that reason. The legal advice provided to me is that that particular section means that the Government in Victoria cannot hide or prevent the release of a document which might exist within Government departments by presenting it to Cabinet to try to ensure that it is a Cabinet document.

A consultant's report, for example, paid for by taxpayers' money and received by the middle level of a particular department, cannot have its release prevented by its being called a Cabinet document or being attached to or incorporated as part of a Cabinet submission. That was the legal advice provided to me today in relation to section 28 (5). Certainly, no such provision exists within our definition of 'Cabinet document' and, as I said, we have almost the opposite in intention. Section 1 *(f)* provides that, if it is a briefing paper prepared for the use of a Minister in relation to a matter submitted or proposed to be submitted to Cabinet, then it is an exempt document.

Under this definition, we also have subclause (2), which provides:

> A document is not an exempt document by virtue of this clause if it merely consists of factual or statistical material that does not disclose information concerning any deliberations or decision of Cabinet.

Again, the advice provided to me is that if I want access to this market research information prepared by Rod Cameron and ANOP it will be provided—and I have had some experience with market research—in a large document with a computer printout. It would include factual and statistical information, as well as a consultant's comment or interpretation of what the results mean to the Government; that is, 'The Bannon Government is on the nose; it would lose an election at the moment by 20 points; you would lose five marginal seats; they do not like the education system or the education Minister; and they do not like the way in which the Minister for the Arts and Cultural Heritage is currently handling her portfolio.' That sort of consultant's comment would be included in a report by Mr Rod Cameron on behalf of ANOP to the Government.

The Hon. Anne Levy: If he has done that, he has never told me.

The Hon. R.I. LUCAS: I am not surprised that he has not told you that. I can tell you that the Premier would know that. That clause will not cover the consultant's report on market research. Therefore, the Government, through a combination of those devices, would be able to prevent the release of some $1 million worth of market research over the years by Mr Cameron and others for the Government on political issues.

In Committee, members of this place, including the Democrats and the independent members (and I will certainly have discussions with the Hon. Mr Griffin and others) ought to consider seriously the drafting of the exempt document section of Cabinet documents and some others to which I will refer in a minute, in order to ensure that Governments cannot prevent the release of information such as that which, under any normal understanding of what constitutes a Cabinet document, should not be construed as such.

The next section of exempt documents in the 19 classifications that I want to consider is classification 9, that of internal working documents. That provides:

> A document is an exempt document if it contains matter that relates to any opinion, advice or recommendation that has been obtained, prepared or recorded, or any consultation or deliberation that has taken place in the course of or for the purpose of decision-making functions of the Government, a Minister or an agency.

I want to contrast that with the definition in the Victorian legislation, section 30 of which provides:

> Subject to this section, a document is an exempt document if it is a document the disclosure of which under this Act—
>
> *(a)* would disclose matter in the nature of opinion, advice or recommendation prepared by an officer or Minister—

and I emphasise that: 'prepared by an officer or Minister'—

> or consultation or deliberation that has taken place between officers, Ministers or an officer and a Minister, in the course of, or for the purpose of, the deliberative processes involved in the functions of an agency or Minister or of the Government; and
>
> *(b)* would be contrary to the public interest.

Again, there are significant differences in those definitions. In my view, and according to the advice available to me, the Victorian definition is much tighter. It talks about opinions, or advice or recommendations prepared by an officer or Minister. The South Australian definition is not limited to that and, therefore, opinion, advice or recommendations might relate to documents that have been prepared by con-

sultants to the Government, as opposed to officers or Minister.

Again, I turn to my example of the Rod Cameron market research report, which could be construed under this definition as opinion, advice or recommendation that has been obtained, prepared or recorded for the purpose of decision making functions of the Government. Certainly, the Government has always argued that this market research is not Party-political; it is to assist in decision making of the Government. So, it is advice or recommendation that it has received, and it could therefore argue that consultants' reports under this interpretation could be internal working documents whereas, under the Victorian definition, because of its tighter drafting, that would not be possible, in my view.

I believe that we ought seriously to consider the drafting of the internal working document section of 'exempt documents' to see whether perhaps we ought to tighten it up. Not only would consultants' reports be included in the South Australian definition, but also, certainly, consultation or deliberations that have taken place with anybody other than officers or Ministers of the Government, that is, anybody in the community—other organisations, for example—if undertaken in the course of the decision-making function of the Government (a very wide definition) could again be construed as an internal working document, and therefore access could be refused by the department, its being an exempt document. That is something that we should address seriously and, if the majority in this Chamber agree, we should prevent it and tighten the definition there.

There are another three classifications of the 19 that I want to address: (14) documents affecting the economy of the State; (15) documents affecting financial or property interests; and (16) documents concerning the operations of agencies; so I will address quickly documents 14 and 15. This notion of the public interest is included in both those documents, as indeed it is included in many others. The Hon. Mr Griffin very succinctly pointed out the following in his excellent contribution:

> Under clause 42 (2), where it appears that the determination subject to appeal has been made on grounds of public interest and the Minister makes known to the court his or her assessment of what the public interest requires in the circumstance of the case subject to the appeal, the court must uphold that assessment unless satisfied that there are cogent reasons for not doing so.

Mr Griffin went on to say (and I can only concur):

> Effectively, what this does is provide that, for all practical purposes, the decision of the Minister is to stand and that it is the judgment of the Minister in general that will prevail. I do not see any reason for that. I would have thought that, if the Minister says that it is in the public interest that the information not be available publicly, the court ought to be able to determine whether or not the Minister's reasons are adequate.
>
> I do not think it is good enough for the Minister merely to say that it relates to information which in the public interest, ought not to be made available and then to place the onus upon the citizen rather than on the Minister to establish that basis. The part of clause 42 (2) that gives the benefit to the Minister rather than to the citizen ought to be deleted.

The Hon. Mr Griffin's statement in relation to clause 42 (2) takes on greater meaning when one looks at the precise definition of these classifications of exempt documents. For example, a document affecting the economy of this State is an exempt document if it contains matters the disclosure of which could reasonably be expected to have a substantial adverse effect on the ability of the Government or an agency to manage the economy or any aspect of the economy of this State.

That is an extraordinarily wide provision. I agree that there is some need for a provision in this area and that this provision is very similar to the Victorian provision, but it is extraordinarily wide and Governments that want to seek to prevent disclosure of information in the Minister's opinion on the balance that it would be contrary to public interest ought to be held accountable in the way that the Hon. Mr Griffin contemplates. I make similar comments in relation to classification 15, which relates to documents affecting financial or property interests.

Classification 16, which relates to documents concerning operations of agencies, is very interesting. I must admit that on my quick reading of the Victorian Bill I could not find a comparable classification. It may well be buried within one of the other classifications, so I cannot say unequivocally that it is not in the Victorian Bill, but on a quick read I could not turn it up. So, I think that, as this is a new classification, we ought to look very closely at the definition of a document concerning operations of agencies that may be classified automatically as exempt. Classification 16 provides:

> (1) A document is an exempt document if it contains matters the disclosure of which—
>
> *(a)* could reasonably be expected—
>
> (i) to prejudice the effectiveness of any method or procedure for the conduct of tests, examinations or audits by an agency;
>
> (ii) to prejudice the attainment of the objects of any test, examination or audit conducted by an agency;
>
> (iii) to have a substantially adverse effect on the management or assessment by an agency of the agency's personnel;
>
> (iv) to have a substantial adverse effect on the effective performance by an agency of the agency's functions; or
>
> (v) to have a substantial adverse effect on the conduct of industrial relations by an agency;
>
> and
>
> *(b)* would, on balance, be contrary to the public interest.

Let me now address the operations of the Education Department in relation to tests, examinations or audits conducted by various arms of the Government. The department has a writing reading assessment project in which tests are conducted of students in years 6 and 10, and an Education Review Unit which is meant to assess the performance of schools and various units within the Education Department. The personnel function of the Education Department is currently looking at competence levels of teachers within schools. I do not want to be party to supporting in this Parliament a provision that will allow the refusal of access to documentation—and I add a further one which includes some of the operation and working documents of the Senior Secondary Assessment Board of South Australia in relation to year 12 and, soon, year 11—on the basis that they are exempt documents, because much of that information ought to be revealed publicly and there is no justification for the department's seeking to suppress it.

On an initial reading of this classification, the department and other departments could seek to prevent the release of information. Another one I note concerns the marine environment legislation which has been discussed over the past couple of years and under which various arms of Government will have to conduct tests, the results of which could be quite controversial, in relation to contamination in the marine environment. I suspect that some of that information could be suppressed under this provision, if not others, and that we would have Minister Lenehan saying that the release of this information would, on balance, be contrary to the public interest.

I have just addressed five of the 19 classifications of exempt document. I urge members who are interested in the effective operation of freedom of information legislation to have a close look at what the Government is trying to get away with in this Bill, and in particular at those five

pages and 19 classifications of exempt document. As I said at the outset, once they are exempt access can be refused and individuals will have to fight long and expensive processes to try to get the release of that information. The experience of people such as Mark Birrell in Victoria has indicated that on occasion it has taken four years to fight the various processes to get the release of information from Government departments. He has been able to achieve it only because of a couple of factors: first, his own persistence and ability and, secondly, he was able to organise, through other members of the Liberal Party, in particular the now Senator Richard Alston who represented him through the Administrative Appeal Tribunal and particularly through the very expensive processes of the Supreme Court, to fight the Government of the day to gain the release of information.

As the Hon. Mark Birrell has highlighted in his speech (and these words ought to be words of caution to us) Governments have the resources in both personnel and funding and they have the time to seek to delay, to fight, to challenge and to appeal right to the highest level to prevent the release of what is controversial and perhaps sensitive information.

I see problems with the definition of 'exempt documents', with retrospectivity and with the conclusive certificates of Ministers, all of which, added to the concerns that have been expressed by the Hon. Michael Elliott and the Hon. Trevor Griffin, indicate that this Bill is not about freedom of information but about freedom from information. Whilst I support the second reading, I do so so that we can get this Bill to the Committee stage, and so that we can seek to provide an effective piece of legislation and not a piece of legislation deliberately designed by Premier Bannon, Attorney-General Sumner and others to prevent the release of information in what is, as I said, an elaborate political cover-up in the making. I support the second reading.

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

WATERWORKS ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 5 March. Page 3188.)

The Hon. L.H. DAVIS: I could weep when I read this Bill. It is an extraordinary Bill. Let me refresh the memories of Government members with the reasons for it. It is stated that the purpose in commissioning a rating review was to seek a level of cost recovery consistent with economic considerations and a charging system that will encourage the long-term conservation of water resources while maintaining social justice and equity within the community. The Minister of Water Resources, the Hon. Ms Lenehan, rode off on her white charger, found Mr Hugh Hudson who undertook the review, and so we have legislation before us tonight that, as I said, claims to maintain social justice and equity within the community and seeks a level of cost recovery consistent with economic considerations.

They are very worthy ideals but, sadly, the purpose for the Bill is not matched by the content of the Bill. Let me explain how this Bill operates. It seeks to introduce for the first time two elements to the water rating system. One component of rating will turn on the level of the property involved. That is described as an access rate payable for the right to supply. The second element in the rating system will be a water rate based on consumption. The access rate, so called, is to be a flat rate for properties below the threshold level, and the Government has indicated that the initial threshold level will be $111 000.

I should also explain that this covers residential properties—houses, strata units and land used for rural living if, in the Minister's opinion, the land is used primarily for residential purposes. So people will be slugged an access rate if their house is above the initial threshold value of $111 000. The Valuer-General advises that about 26 per cent of residential properties, about one in four, is above this threshold level.

People will be charged an additional 76c per $1 000 that their house is valued above the $111 000. In other words, if one's house is valued at $211 000, one will pay an additional $76 a year for the access rate. I think that is a correct assumption. Of course, the residual element to the rating system as proposed is a water rate based on consumption. Whether or not this Bill passes will turn on the Democrats' view of this legislation. If one is rational and looks at the reasons for this legislation, it will fail. Let me explain why it will fail and why it should fail.

It is designed to seek a level of cost recovery consistent with economic considerations—that is the litmus test—along with the fact that the charging system will encourage the long-term conservation of water resources while maintaining social justice and equity within the community. Let us look at some examples to see whether the test set down in the second reading explanation can be justified.

The Hon. Anne Levy interjecting:

The Hon. L.H. DAVIS: Let me give the example to the Minister and let her interject then after hearing this example.

The Hon. Anne Levy interjecting:

The Hon. L.H. DAVIS: Just listen to this, Minister—you might learn something.

The ACTING PRESIDENT (Hon. T. Crothers): Order! The Hon. Mr Davis.

The Hon. L.H. DAVIS: I refer to the example of a widow in an eastern or southern suburbs villa that might be valued at $215 000 or $315 000. She is asset rich in the sense that the house is worth plenty, but she is income poor. It is her only asset and she may have little income, and that is not unusual for people over 65 years. The Council will remember that 12.5 per cent of our population is over 65 years. Many of these people spent most of their working lives paying off their mortgages and paying for their children's education. South Australia, with a higher age population than any other State in Australia, has an unusually high proportion of women over 65 years, many of them living alone in houses which would have been bought cheaply in the earlier years and which are now worth a lot of money, yet these people have no income.

Consider that example, which is trapped by the threshold value definition introduced in this legislation, against the example of a person living farther out perhaps in the north-eastern or southern suburbs in a house that might be worth $80 000 or $90 000. Both the husband and wife work: the husband might be earning $40 000 and the wife $30 000, and they have an annual income of $70 000. Their children might be almost off their hands and they could be fairly described as relatively comfortably off.

In income terms they certainly would be more comfortably off than the widow who has few dollars—perhaps enough to avoid penury but certainly not enough to bear the extra imposts occasioned by this threshold value tax. We have a situation in the second case where the couple living in the far southern or north-eastern suburbs will not be trapped by this legislation because their house is under the threshold.

If we compare that case with the first case, can the Minister tell me that those examples meet the test, that it maintains social justice and equity within the community? Can the Minister look me in the eye and say that it does? She cannot. Can she say that it encourages long-term conservation of water resources? Absolutely not. It will make no difference at all. Is it consistent with economic considerations? Absolutely not. But the Labor Party has this magnificent obsession with taxing property as if property is the only asset that people have.

It is taxing property as if it is a wealth tax, ignoring any other assets that people might have. The example of the couple in the $80 000 house in the north-eastern or southern suburbs may well be just one aspect of their total bundle of wealth: they may have bars of gold, run race horses or have significant share investments. Does that mean that they pay more water rates? It does not.

This is a typical example of a Government that is financially naive and financially inept that seeks to isolate property as if it is some disease that needs to be attacked at every opportunity, something evil, something wicked, something pernicious that must be attacked. It flies in the face of the water rating system and it flies in the face of the bipartisan approach to the water rating system that we have had in South Australia for many years.

I became a backbencher in the Liberal Party literally weeks before the Tonkin Government came to power, perhaps unexpectedly, in September 1979 when Des Corcoran decided to test the waters with that now remarkable slogan, 'Follow a leader: vote Labor'. There were many advertisements in the print media of those days which reminded voters that only sheep follow a leader, and indeed that proved to be true in the election of September 1979.

One area of interest for the Tonkin Government was to conduct a thorough investigation of the rating system. A committee of Liberal members of Parliament was formed to look at the rating system around Australia. I was one of those members of Parliament. It was a new experience for me as a backbencher to be asked to join this committee. Peter Arnold, who was Minister of Water Resources—someone respected by everyone, I should imagine, on both sides of Parliament for his unsurpassed knowledge of and interest in water resources in South Australia—chaired that committee. We considered the rating and charging systems for water around Australia for a year and decided to stick with the system which was in place. In other words, we were gradually moving towards a user pays principle. That system has now been in place for 15 years. Ultimately, we were moving towards a situation where the user pays system would be in operation in homes.

We should remember that Adelaide, contrary to some of the claims made by the Government, is very well served in terms of its water distribution system. Contrary to the claims of some Government members who should know better, we are well served by our access to water. Certainly in drought years we can run low on water, but we have the ability to pump water from the River Murray. Under the Murray-Darling Basin agreement we receive 1.85 million megalitres annually. I understand that the flow into South Australia is between 5 million and 6 million megalitres annually, which means that on average about 4 million megalitres flow into the sea.

It is nonsense to say that we are short of water when talking about the Adelaide metropolitan area and nearby regions in South Australia. Clearly that argument has no validity when it comes to justifying this remarkable aberration by the Government in deciding to change what has been a longstanding and generally bipartisan approach to water rating in South Australia. The Minister says that it is cost neutral. That is the only thing that she has said tonight. She has been silent since I have used the example which has blown the Government's case out of the water in terms of what—

The Hon. Anne Levy: You complain when I do and now you complain when I don't.

The Hon. L.H. DAVIS: I said that is the only thing that has made sense when you said it was cost neutral.

The Hon. Anne Levy interjecting:

The Hon. L.H. DAVIS: I did not complain. You can interject as much as you like.

The Hon. Anne Levy: Oh, can I?

The Hon. L.H. DAVIS: You can—

The Hon. Anne Levy: Thank you.

The Hon. L.H. DAVIS: —because nothing you could say would make any sense and I could blow it out of the water. I would welcome your interjections, Minister, so go for it.

The Hon. Anne Levy: You were complaining a minute ago.

The Hon. L.H. DAVIS: No, I'm not complaining. You haven't got a feather to fly with. You haven't got any wings to swim with in this waterworks debate, I can tell you that. You're sinking like a stone.

The ACTING PRESIDENT (Hon. T. Crothers): Order! I ask the Hon. Mr Davis to address the subject before the Chair.

The Hon. L.H. DAVIS: I am sorry, she tempts me so easily, Mr Acting President. I am easily tempted. It is a nonsense to argue that the shortage of water is a factor in requiring us to increase rating in South Australia. The Minister has claimed that this is revenue neutral: that is the claim. I suppose we can also remember the undertaking by the Bannon Government that no rates, taxes and charges would be increased at a rate greater than inflation, and then look at State taxation last year which increased by only 18.2 per cent. That was only three times the rate of inflation! That is the sort of promise that can so easily be broken.

The Hon. Anne Levy: This is not a promise, it's a calculation.

The Hon. L.H. DAVIS: A calculation? I have made a calculation that your promises are easily broken. I made the point that in 1990—

The Hon. Anne Levy: Address the Chair! Let me interject in peace!

The Hon. L.H. DAVIS: No, I like to see you quiver when I fire the arrows. In 1989-90 the Bannon Government, on more than one occasion, made promises that it would not increase rates, taxes or charges at a rate greater than inflation, and there have been so many exmples that we on this side of the Chamber have lost count where the Government has broken its promise. So, it is of little consolation when the Minister, like some long lost sheep from the 1979 election, stands on her haunches and says that this legislation is cost neutral. Let me—

The Hon. Anne Levy: You're getting personal.

The Hon. L.H. DAVIS: I'm not getting personal, I'm just getting factual. Let me blow that proposition out of the water. One only needs to look at new section 65c, which provides:

(1) The Minister may, by notice in the *Gazette*, fix—
(a) the threshold value—

What does that mean? It means that the Minister can, on an annual basis, adjust the specified value so that the access rate payable for the right to supply can be varied to include a threshold value which might be quite a good deal different from the initial rate. So, a greater number of houses could

be caught in the pool when the Minister gazettes a change in the threshold value in 1992.

I have been around long enough to know that that is the way it works and that is the way the Bannon Government certainly would make it work. John Maynard Keynes said that inflation was a mighty tax gatherer, but I can tell you that inflation has been passed by John Bannon as if it were standing still. I would argue then, very strongly, that this is not an equitable tax. It is not a tax which has any consideration or notion of social justice. It ignores totally the reality that there are many people with property values well in excess of the threshold value who simply will not have the income to meet this increased charge. Nor should they have to meet this increased charge because their water consumption is unaltered.

The Government is trying to get consumers through two gates. First, there is the gate that we accept quite readily, that is, a water rate based on the user-pays principle, towards which we have been moving increasingly in South Australia. We accept that. But we simply do not accept this second tier of an access rate payable for the right to a supply of water, which is paid only by those who happen to own a house of a value greater than $111 000 in 1991.

This is ignoring the real world. It is ignoring the historical fact that there are people living in those houses simply because they bought those properties previously when the price was very low. They have lived in them for 30 or 40 years. It may be the only asset they have. They are not income rich; they are asset rich, but income poor. The reality is that there are many people who choose to bundle up their pool of assets in a different way and live in a house which has little value, but they still pay for their water consumption. That is a totally iniquitous and inequitable principle. I cannot subscribe to it and the Liberal Party is opposed to it.

Of course, we now find that higher value property owners are in a double whammy situation. The new 138 kilolitre limit effectively means a reduction in allowance for many properties, but their owners will still be required to pay this extra 76c for every $1 000 in property value over $111 000. If that is called social justice then it certainly stretches the definition of social justice way beyond any concept I have ever had of that phrase. It makes a mockery of this Government's concern about social issues and it makes a mockery of this Government's concern about economic consequences. Simply, it makes a mockery of this Government.

The Hon. PETER DUNN: This is a remarkable piece of legislation. It has nothing at all to do with water rating but a lot to do with a capital tax. As the previous speaker, the Hon. Mr Davis, pointed out, it mostly affects older people. I am a bit surprised at this legislation, because it is very much like members across the Chamber coming in here wearing a suit and buying a beer cheaply, as they do in the bar around the corner. But they work in the opposite direction. In this case they think if one has a house valued at more than $110 000 one should pay a premium because of that. One is paying a premium for water because one's house is valued at a little more than the one next door—or because it is situated in North Adelaide rather than, say, Tea Tree Gully. This is really just a capital tax; it has nothing to do with water consumption. The extra amount from the increased value has absolutely nothing to do with the cost of water.

As I was saying, if you apply that logic, why, for example, do members opposite not pay more for a beer if they come in here wearing a suit? Why do you not pay more for your beer in the bar than the bloke in the street wearing a blue shirt? But you do not: you press very hard for a cheaper beer.

Members interjecting:

The Hon. PETER DUNN: That's right; I happened to walk in and have a coffee, and I paid my full tote odds for it. But I suspect that, under the principle applied in this Bill by members opposite—

Members interjecting:

The ACTING PRESIDENT (Hon. Trevor Crothers): Order! I call the Gunga Dins on the Government benches to order.

The Hon. PETER DUNN: This is a very discriminatory tax, one that has nothing to do with water rating but all to do with a tax on capital. But this Government would not understand that. It did not understand when the State Bank was falling over, yet it was told about it two years ago. I guess it does not understand what we are talking about now.

Under the older system there was a property value charge which was divided by the quantity of water supplied to that property. There was a base charge that determined how much water you got for that area. I am not sure that I totally agree with that, but I can understand why it is there. It is there because the water had to be supplied and that entailed a certain cost. There was a cost whether or not you took water. But this measure bears no relation to that. As I said before, all it does is put an extra tax on capital. It does not matter whether you use more water or less, the cost is more. During the second reading explanation, the Minister made the following brillant statement, I thought:

> The purpose in commissioning a rating review was to seek a level of cost recovery consistent with economic considerations, and a charging system that will encourage the long-term conservation of water resources, while maintaining social justice and equity within the community.

You really must be joking! How will that conserve water? Is that because people will not have enough money to pay for the water they want to use? Is that how we are going to conserve it? I would have thought that if a few extra cents were put on the cost of water it would have that effect. Perhaps that would stop the consumption of water, because the more water you used, the more you would pay. Under this system it has nothing to do with the amount you consume. The Minister is being quite untruthful in her second reading explanation when she says '. . . while maintaining social justice and equity within the community'.

There is certainly nothing equal in this. You may have inherited a house or bought a house when you were younger and the value has risen. We have seen recently what the Land and Valuation Court has done: it has included trees in capital value. That is another interesting point: all our valuations seem to go to capital valuations. Site valuations, as used in the past, seem to have gone out the window, because, for some reason, the socialist dreams says that you must not have capitalists, and you must not have capital, yet they are the very people who love to have capital, the smart cars and the flash, handmade suits.

The Hon. G. Weatherill: That's on your side.

The Hon. PETER DUNN: What about Mr Keating? He has Italian suits and handmade shirts—and he collects French clocks! What I am saying is that they do not ring true. South Australia is very lucky in that it has the River Murray to provide it with water. We are a very dry State. We do not have very much precipitation, and we cannot catch it, as we do not have the best hills or anything to run water. So, we are fortunate to have the River Murray. This Bill does nothing at all to preserve that water.

I suspect that the water was too cheap some years ago. If it had been slightly dearer than it was in the 1950s, 1960s

and 1970s, perhaps there would not be the present deficiency in the department. In the past water was extremely cheap. I can recall paying about $100 for my total year's water supply on my property in the 1950s and 1960s and wondering why it was so cheap, but now I notice I am paying $90 a quarter for one mile back from the water main, which includes about 900 acres. I am paying about $90 a quarter for that water and, on top of that, I am now paying about $1 000 for excess water. That is not too bad because, if I did not pay it, I would have to drill for water and I know there is no underground water there; or I would have to harvest water by putting in surface dams or using some other method, which are always very expensive to maintain.

So, I am very pleased that the E&WS provides water to me, and that is due to the foresight of the Government in the early 1920s. I am very pleased about that, but it has nothing to do with this Bill and the tax that is being put on the capital asset of a property here in the city, which tax will not apply in rural areas. It is a discriminatory tax, and for the Minister to say that it is in the interests of social justice and equity within the community is a total nonsense. I do not support the Bill.

The Hon. J.F. STEFANI: The Liberal Party has a number of concerns about the proposed legislation. We do not support the measure, because it attempts to introduce a system of rating that will affect hundreds of thousands of ordinary South Australians who own a home with a value of more than $111 000. Householders throughout South Australia have reacted very angrily to the Government's proposal, which smacks of a wealth tax in the name of the so-called 'social justice policy' being pursued by the Bannon Government. Many home owners are asking why the Government is not prepared to adopt a complete user-pays system, which could be applied equally and equitably throughout the community without creating different classes of users.

It is important to recognise that, in its pursuit of socialist objectives, the Bannon Labor Government is attempting to achieve a reduced allocation of water to all consumers, replacing the current system, which allocates water consumption based on the valuation of properties, with a system that will create a much greater revenue base. At the same time, the new system will penalise home owners who have invested a large proportion of their life savings in their homes. We know from past experience that this money-grabbing Labor Government will continue to increase property valuations on a yearly basis which, under the proposed system, will trap more and more home owners into paying a wealth tax on their place of residence, and will indeed levy extra charges on water usage.

The new system eliminates the current property rating and water allocation system and introduces excess charging to cover an estimated lower household water allocation of 138 kilolitres per annum. Water consumption above this yearly allowance will be charged at the rate of 85 cents per kilolitre and, in addition, a wealth tax levy of 76 cents for every $1 000 will apply to homes with a valuation of more than $111 000.

By lowering the yearly allowance to 138 kilolitres, the Bannon Government has effectively increased the number of people who will be required to pay more for excess water consumption whilst clearly retaining a new form of property tax based on the value of properties, which will increase revenue to the Treasury coffers.

In a survey conducted by the *News* and published on 5 March 1991 it is noted that in most metropolitan suburbs an average family home of six to seven rooms in good condition will increase in value at an average rate of between 20 to 50 per cent over a three to four year period. Presently, such homes in many of Adelaide's suburbs exceed the $111 000 threshold valuation limit proposed by the Bannon Labor Government. It has been estimated that owners of a home with a current value of $140 000 and an average yearly consumption quota of 506 kilolitres will be required to pay increased water rates. Bungalow type homes and conventional style homes in 12 suburbs identified by the *News* will be caught by the new wealth tax system, and owners of those premises will pay more under the proposed system.

The Hon. R.J. Ritson interjecting:

The Hon. J.F. STEFANI: That is right. Using a projection for expected increases in property valuations over the next five years, home owners in Woodville, Stirling, Brighton, Grange, Campbelltown and Payneham are likely to be trapped by the operation of the wealth tax system. In conclusion, I oppose the Bill in its entirety because it attempts to introduce a back door taxation system that will trap many unsuspecting home owners and, in particular, the elderly people in our community who are on a fixed aged pension income.

The Hon. ANNE LEVY (Minister for Local Government Relations): I suppose I should formally thank members for their contribution to this debate although I have rarely heard such nonsense as has been purveyed by a number of members opposite. However, I would like to commend the Hon. Mike Elliott for his grasp of the advantages offered by the proposed rating system for residential land. I will deal, first, with the contribution by the Hon. Diana Laidlaw. I am pleased that she at least recognises and acknowledges the deficiencies of the current rating system, but her reference to wealth tax and value added tax indicate that she does not appreciate the point that the proposal is superior to the current system which is based entirely on property values.

I should have thought that people who are talking about moving to a user-pays system would prefer what is proposed in this legislation compared with the current system. While it may not go as far as they would like it to go, they should at least recognise that it is far more a user-pays system than what we have currently, and they should welcome it for that reason. I should like to make several points to clarify the situation.

I stress that this is not a revenue raising measure for the Government. It has been designed to be cost neutral from the Government's point of view, so that the total revenue to the Government will remain the same. In fact, revenue to the Government may decrease if the community reduces its water consumption to reduce costs. There will be strong incentives to individuals to save costs by reducing consumption. If the community does reduce consumption, the total revenue to the Government will decrease, not increase.

The Hon. Peter Dunn: Put it the other way—

The Hon. ANNE LEVY: No, if water consumption remains at its current level it will be revenue neutral and the revenue to the Government will not change.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Another important point is that no-one needs to pay more under the new system. Those who potentially could pay more if their current water usage was maintained, will be able to achieve savings by a modest reduction in water use.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: The case that was quoted by the Hon. Mr Davis I think deserves examination a little

more closely. Currently, the property value component for water rates is $1.68 per $1 000 capital value. Under the new system, the propery value component will be 76c per $1 000 capital value above the set threshold; in other words, it will be less than half what applies at the moment. At the moment it is $1.68—

The Hon. Peter Dunn: Up to $110 000.

The Hon. ANNE LEVY: No, on total capital value the current compulsory water rate, regardless of amount used, is $1.68 per $1 000 capital value. Under the new scheme it will be 76c per $1 000 above the threshold—that is less than half what is compulsory at the moment.

The Hon. Peter Dunn: That is above the threshold. What about below the threshold?

The Hon. ANNE LEVY: I am referring to the hypothetical case quoted by the Hon. Mr Davis of someone on limited means who has a property worth $350 000; that is well above the threshold. Currently the owner of such a property pays $1.68 per $1 000 of capital value, and under the new system the compulsory payment will be less than half what they are currently paying—that is the compulsory component. A person in such a situation will have a strong incentive to use less water than they are using at the moment so that their excess water will be considerably reduced and they end up paying less than they compulsorily must pay now, regardless of the water—

The Hon. Peter Dunn: If they use less water.

The Hon. ANNE LEVY: We want to encourage people to use less water.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Opposition members seem to be saying that they want to encourage the use of less water by raising the cost of water. I am saying that this system will encourage people to use less water, not by raising the cost of each unit of water, but by considerably reducing the compulsory payment, which is based on capital value, and encouraging people to use less water for which they are paying per kilolitre used.

It is a way of encouraging people to use less water, not by raising the price of water but by giving an incentive and, by doing so, people will pay less than they currently pay. There is certainly no justification for the concern that is being expressed about the effect of increasing property values in relation to the threshold value of $111 000. It is the Government's intention to review this threshold figure every year, taking account of the movement in property values. This will represent a genuine reassessment of property value movements, not merely the application of some general inflation index. So, the threshold will be adjusted each year in relation to the movements in property value, not in relation to the CPI.

I certainly agree with the Hon. Ms Laidlaw about the desirability of the future concentration of housing units, town houses, etc., closer to the city. There is no doubt that the proposed rating system offers advantages in this objective over the current rating system. Members need to consider the alternatives of this legislation versus the current system. It is—

The Hon. Peter Dunn: It is a capital tax.

The Hon. ANNE LEVY: We keep getting inane interjections that it is a capital tax. It is much less of a capital tax than the current system. Members opposite do not seem to realise that. It provides a means whereby people can lower their water rates by reducing their water consumption, which does not apply now to many people who must pay a tax determined entirely by the capital value of their property at a much higher rate than is proposed. Unless they use excess water, they pay for water that they do not use.

These figures have been quoted previously, but I would like to remind members of the effect on the population of the proposed rating system compared with the existing one. On the assumption that the consumption of water remains exactly the same—that there is no reduction in consumption—62 per cent of the population will pay exactly the same as they are paying now, 22 or 23 per cent of the population will pay less than they are paying now—

The Hon. R.R. Roberts: Is that the farmers?

The Hon. ANNE LEVY: No, this is not rural—it is E&WS—and only 16 per cent of people will pay more than they are now paying. The vast bulk of the population will pay either exactly the same or less than they are paying now, but 16 per cent can expect to pay more than they are now paying on the assumption that their water consumption remains the same as at present. Those people making up the 16 per cent will obviously have a strong incentive to use less water than they are using now, in which case they will also be able to reduce their bills to no more than they are currently paying, or even less.

The Hon. R.J. Ritson: You said that at five minutes past 12 and we heard it and understood it, although we did not believe it.

The Hon. ANNE LEVY: I have only just found the table with the figures: I was certainly not quoting any figures.

The PRESIDENT: Order! The honourable Minister.

Members interjecting:

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

The Hon. ANNE LEVY: Finally, I turn to the contribution of the Hon. Mr Elliott, whom I congratulate on his perceptiveness in respect of the benefits that this Bill offers and the long-term advantage to the whole South Australian community. The Hon. Mr Elliott referred to an amendment which is proposed and which would allow the introduction of the concept of a rising block tariff.

I am prepared to indicate that the Government would be happy to accept that amendment, because there would then be greater flexibility in the rating structure and an even greater effect in conservation and encouragement to use less water. I commend the Bill to members and urge all to support it.

The PRESIDENT: The question before the Chair is that the Bill be now read a second time. I put that. All those in favour say 'Aye'.

Honourable members: Aye.

The PRESIDENT: Against, say 'No'.

Honourable members: No.

The PRESIDENT: The 'Ayes' have it.

The Hon. ANNE LEVY: Divide!

While the division bells were ringing:

Members interjecting:

The PRESIDENT: I said 'The Ayes have it.'

The Hon. Anne Levy: I am sorry.

Members interjecting:

The Hon. ANNE LEVY: I retract that.

Bill read a second time.

The Hon. R.R. Roberts: The affirmatives cannot call for a division. It is only the losing side that can call for a division. We were on the winning side.

The Hon. Anne Levy: Yes.

The PRESIDENT: Are you going into Committee?

The Hon. ANNE LEVY: No. I move:

That the Committee stage of this Bill be made an order of the day for the next day of sitting.

Members interjecting:

The Hon. R.I. Lucas: Hold on. What have you called?

The Hon. R.J. Ritson: This is very important.

The PRESIDENT: It has been read a second time.

The Hon. R.I. Lucas: But who did you call as having won it?

The PRESIDENT: The 'Ayes'. I called the Ayes.

The Hon. R.I. Lucas: What did the Minister call? She called 'Divide!'

Members interjecting:

The PRESIDENT: The Minister retracted and I called 'The Ayes have it.' It was up to you to call 'Divide!'

The Hon. R.I. Lucas: Divide!

The Hon. R.J. Ritson: It is still a division.

The Hon. R.I. Lucas: Divide!

The PRESIDENT: It has been read a second time.

The Hon. R.I. Lucas: The Minister called 'Divide!'

The PRESIDENT: Yes, she retracted. I called for the Ayes. She won the vote. Why would she want to divide? The honourable Minister.

The Hon. ANNE LEVY: I again move:

That the Committee stage of this Bill be made an order of the day for the next day of sitting.

The PRESIDENT: Is that seconded?

An honourable member: Seconded.

The PRESIDENT: All those in favour say 'Aye'. Those against say 'No'. The Ayes have it.

PHYSIOTHERAPISTS BILL

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

ROAD TRAFFIC ACT AMENDMENT BILL (No. 4)

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

STATUTES AMENDMENT (WATER RESOURCES) BILL

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

VALUATION OF LAND ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendment.

EDUCATION ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendment No. 1 and had agreed to amendment No. 2 with an amendment.

ADJOURNMENT

At 12.27 a.m. the Council adjourned until Thursday 7 March at 2.15 p.m.